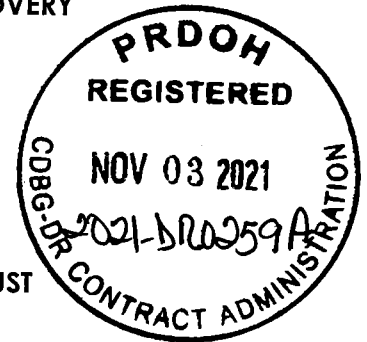




COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY  
(CDBG-DR)

**AMENDMENT A** to the  
**SUBRECIPIENT AGREEMENT**  
BETWEEN THE PUERTO RICO DEPARTMENT OF HOUSING  
AND THE  
PUERTO RICO SCIENCE TECHNOLOGY AND RESEARCH TRUST



This **AMENDMENT A TO THE SUBRECIPIENT AGREEMENT** (hereinafter, the "**AMENDMENT A**") is entered into this 2<sup>nd</sup> day of November, 2021, 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 L.P.R.A. § 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. William O. Rodríguez Rodríguez, Esq., of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the **PUERTO RICO SCIENCE TECHNOLOGY AND RESEARCH TRUST** (the "**SUBRECIPIENT**"), a nonprofit entity, with principal offices at Carr #21, Bo Monacillos (Antigua Penitenciaría Federal), San Juan, Puerto Rico, represented herein by its Chief Executive Officer, Luz A. Crespo Valentín, of legal age, single, and resident of San Juan, Puerto Rico, collectively the "**Parties**".

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**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on June 2, 2020, the PRDOH and the SUBRECIPIENT executed a Subrecipient Agreement, Contract Number 2021-DR0259 (hereinafter, "**SUBRECIPIENT AGREEMENT**") for **\$2,443,360.70** for a period of performance of **four (4)** years ending in June 1, 2025; for the SUBRECIPIENT to undertake activities under the **Small Business Incubators and Accelerators Program** (hereinafter, the "**PROGRAM**"). The focus of the Program is to support and grow Puerto Rican small businesses by providing them with technical assistance to help grow their business skills and professional network through the structure of an Incubator or Accelerator;

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

**WHEREAS**, it is the intention of the parties to modify and amend certain terms and conditions of the SUBRECIPIENT AGREEMENT, specifically a modification of the **Exhibit D**, attached to the aforementioned Agreement; (**See Attachment I and Attachment II of this Amendment A**).

**WHEREAS**, this AMENDMENT A is not intended to affect, nor does it constitute an extinctive novation of the obligations of the parties under the SUBRECIPIENT AGREEMENT but it is rather a modification and amendment of certain terms and conditions of the SUBRECIPIENT AGREEMENT, specifically the **Exhibit D**, attached to the aforementioned Agreement;

**WHEREAS**, this AMENDMENT A does not affect the term nor the overall amount of the SUBRECIPIENT 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

### VIII. COMPTROLLER REGISTRY

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

### IX. ENTIRE AGREEMENT

The SUBRECIPIENT AGREEMENT, as amended, constitutes the entire agreement among the PARTIES for the use of funds received under the SUBRECIPIENT AGREEMENT, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the PARTIES with respect to the SUBRECIPIENT AGREEMENT, as amended.

### X. FEDERAL FUNDING

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

### XI. COMPLIANCE WITH LAW

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

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

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

William O. Rodríguez Rodríguez  
By: William O. Rodríguez Rodríguez (Nov 2, 2021 14:51 EDT)  
Name: William O. Rodríguez Rodríguez, Esq.  
Title: Secretary

#### SUBRECIPIENT

Luz A Crespo  
By: Luz A Crespo (Nov 2, 2021 11:56 EDT)  
Name: Luz A. Crespo Valentín  
Title: Chief Executive Officer  
DUNS Number: 078829992

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award the subaward, enter and perform under the executed SUBRECIPIENT AGREEMENT;  
and,

**WHEREAS**, the Subrecipient has duly adopted the Resolution dated April 15, 2021, authorizing the Puerto Rico Science Technology and Research Trust (via its Authorized Representative, Luz A. Crespo Valentín) to enter into this AMENDMENT A with the PRDOH, and by signing this AMENDMENT A, the Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

**NOW THEREFORE**, in consideration of the mutual promises and the terms and conditions set forth in the SUBRECIPIENT AGREEMENT, the PRDOH and the SUBRECIPIENT agree to execute this AMENDMENT A subject to the following:

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## TERMS AND CONDITIONS

### II. SAVINGS CLAUSES

The information included in this AMENDMENT A serves the purpose of modifying and amending certain terms and conditions under the SUBRECIPIENT AGREEMENT, including any modified Exhibits. All provisions of the original SUBRECIPIENT AGREEMENT shall continue to be in full force and effect, as amended by this AMENDMENT A. The Total Authorized budget included in the SUBRECIPIENT AGREEMENT shall not be changed.

### III. ATTACHMENT

The information included in this AMENDMENT A serves the purpose of modifying and amending certain terms and conditions under the SUBRECIPIENT AGREEMENT specifically the **Exhibit D**. All other provisions of the SUBRECIPIENT AGREEMENT and Exhibits shall continue to be in full force and effect.

### IV. SCOPE OF AMENDMENT

The PRDOH and the SUBRECIPIENT have agreed to enter into this AMENDMENT A with the purpose of modifying certain sections of the existing SUBRECIPIENT AGREEMENT specifically **Exhibit D: BUDGET**.

### V. AMENDMENTS

- A. The parties intend to amend **Exhibit D: BUDGET** of the SUBRECIPIENT AGREEMENT, to modify the Renovation Sections line items' description to better meet the subrecipient's needs and proposed activities. Also, to modify budget detail designated to key personnel. **(See Attachment II of this Amendment A)**.

### VI. SEVERABILITY

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

### VII. SECTION HEADINGS AND SUBHEADINGS

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



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

**Memorandum**

To: Marezte Díaz Sánchez, Esq.  
Deputy Director  
CDBG-DR Program

From: Michelle Méndez Castañeda, Esq., LLM  
Director of Disaster Recovery  
CDBG-DR Program

**VISTO BUENO**  
  
Lcdo. William O. Rodríguez Rodríguez  
Secretario

Re: Subrecipient Agreement request for budget amendment

Date: August 16, 2021

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**Overview:**

On June 2, 2021, the Puerto Rico Department of Housing (PRDOH) and the Puerto Rico Science, Technology and Research Trust (the Subrecipient) entered into a subrecipient agreement for the Small Business Incubators and Accelerators (SBIA) Program for a period of forty-eight (48) months from the day of its execution, for two million four hundred forty-three thousand three hundred sixty dollars and seventy cents (**\$2,443,360.70**) registered as Contract Number 2021-DR0259.

The Subrecipient states that with its current budget detail designated to key personnel, it is incapable of completing its recruitment process properly. Thus, the Subrecipient requested an amendment to its current SRA to properly execute its recruitment process and proceed with the program implementation phase. In addition, a modification was made in the Renovation Section to the line items' description to better meet the subrecipient's needs and proposed project activities.

The Programmatic Area, in its best interest to comply with monitoring procedures, suggests to move forward with this amendment request since it does not imply a change in the initial program award; rather it entails a re-allocation of funds detailed in the budget. Said request will result in the modification of Exhibit D of the SRA Agreement. It is important to note that our Legal and Finance Teams' agree with the Programmatic Area's assessment.

As per the reasons stated above, the SRA should only be amended to modify Exhibit D as this will allow the Subrecipient to complete its recruitment process properly and continue with its program implementation. If you have any questions regarding this matter, feel free to contact me at your convenience.



## ATTACHMENT II

### EXHIBIT D – SECTION 1

### BUDGET

#### SMALL BUSINESS INCUBATORS AND ACCELERATORS

#### PUERTO RICO SCIENCE TECHNOLOGY AND RESEARCH TRUST

#### DESCRIPTION SERVICES

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FASE1 is a training and incubation program with the objective of making innovative entrepreneurship accessible to all potential entrepreneurs in Puerto Rico by catalyzing idea-stage ventures into successful startups. The FASE1 incubation program will be led by parallel18, a performance-driven international startup program within the Puerto Rico Science Technology and Research Trust (**the Trust**). Parallel18 will be supported by another Trust program, Colmena66. Both parallel18 and Colmena66 were established in 2016 and have achieved results quickly since their inception.

Through the addition of FASE1 to its roster of programs, the Trust will exponentially increase the support it provides to potential entrepreneurs by adding training and incubation opportunities to feed into its existing programs. Specifically, FASE1 will fill an important gap in the existing entrepreneurial ecosystem in Puerto Rico and will serve as a prequel to parallel18's pre18 program, which was designed and launched after hurricane Maria to help entrepreneurs develop products and build prototypes in order to enter the market as quickly as possible. It will also expand Colmena66's existing capabilities and leverage the network of potential entrepreneurs it has built. Connecting this project to existing initiatives such as Colmena66, pre18, and subsequently P18 will ensure that there is a clear sustainability plan with a path for funding (through pre18 and P18 seed money) and technical support. This will expand the Trust's existing offerings into a coordinated five stage path: 1) contact and referral (Colmena66), 2) basic entrepreneurship training and idea generation (FASE1 Lab), 3) product development and prototyping (FASE1 Intensive), 4) market validation (pre18 and 5) scaling (parallel18).

**STAFFING**

Position	Qty. of Resources [A]	Max. Hours per month per Resource [B]	Hourly Rate [C]	Max. Monthly Cost [D=AxBxC]
Program Director	1	160	\$49.45	\$ 7,912.00
Startup Executives	2	160	\$20.36	\$ 6,516.00
Operations Manager	1	160	\$34.32	\$ 5,492.00
<b>Total Maximum Monthly Cost:</b>				<b>\$ 19,920.00</b>
<b>Total Cost for 5 Years (60 Months):</b>				<b>\$ 1,195,200.00</b>

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**PROFESSIONAL SERVICES**

Services Name	Services Description	Budget
Legal Services	FASE1 Intensive will hire legal specialists to register and/or incorporate business projects into legal entities.	\$ 40,000.00
Branding Services	FASE1 Intensive will hire branding specialists to develop each project's basic logo and landing page.	\$ 40,000.00
Translation Services	FASE1 will ensure that all programming is available in Spanish language. For all training modules, mentor talks, and other activities conducted in English, FASE1 will provide an interpreter and/or hire a translator to translate the material. We anticipate that out of the 21 workshops included in the FASE1 Lab, approximately half will be held in live format online, might require the services of an interpreter. Additionally, up to 10 of the pre-recorded workshops might need subtitling in Spanish.	\$ 17,500.00
<b>Total Budget for Services to be Contracted:</b>		<b>\$ 97,500.00</b>

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**OTHER OPERATING**

Item Name	Item Description	Budget
Marketing & Outreach	This item represents all the efforts required in order to effectively market FASE1 for the 5-year duration of the program and reach as many potential participants as possible. This will include various activities including the development of a website and social media channels, and digital marketing to recruit participants for FASE1 Lab.	\$ 85,000.00
Events	This includes hosting regional and in-person recurring events to recruit participants for FASE Lab and promote the new available programming. Additionally, at the end of every FASE1 Intensive cycle, a Demo Day event will be held to showcase participants.	\$ 42,708.40
Travel & Lodging	Fase1 will cover transportations and accommodation costs for those participants that want to participate in in-person events at the San Juan office and/or want to use the facilities but are unable to get there and stay there. This will be determined on a basis of need and will be in the form of vouchers paid directly to a gas distributor and hotel or lodging facility.	\$ 28,750.00
Curriculum/Modules	This item represents the costs associated with the building of a competitive roster of mentors for FASE1 Intensive. We anticipate that half of the mentors will come from outside Puerto Rico, as such, costs for flights and accommodations of those mentors are contemplated in this item.	\$ 24,000.00

Rent	Rent for 4171 Sq. Ft. space in Santurce for the five-year life of the project.	\$ 378,354.00
Indirect Costs	Indirect costs for the Puerto Rico Science Technology and Research Trust at a negotiated at 15.4%, applied to Staffing, Professional Services, Other Operating Costs and Supplies.	\$ 229,846.29
<b>Total Expenses Budget</b>		<b>\$ 788,658.69</b>

**EQUIPMENT**

Item Name	Item Description	Budget
Office Equipment	Required 3D printers for Fase1's prototyping lab's success, the 3D printers will be purchased in different sizes and price points to promote multiple users at the same time in order to manufacture initial versions of hardware products. These items won't exceed \$5K per item.	\$ 10,000.00
	Computers at approximately \$1,000 each to facilitate programming and other product development tasks, as well as regular ink printers at \$175 each.	\$ 8,350.00
	To facilitate collaboration, brainstorming and creative thinking, rolling whiteboards will be needed for the program.	\$ 1,000.00
Software	This item represents all the technology platforms that FASE1 will utilize in order to ensure its effective implementation and success. FASE1 will require the use of the following platforms: Union (a digital platform that connects startups to a network of resources and mentors), Wisboo (platform to easily create and deploy your own online courses) part of the parallel18 alumni startups, Zoom (platform on which to host meetings and webinars), Asana (Asana is a project management platform that allows teams to manage work across different initiatives) and, SendGrid (a leader in trusted email delivery that sends transactional and marketing emails).	\$ 35,292.00
Furniture & Equipment	This item includes tables and chairs for coworking space, desks and tables for offices and conference rooms, seating for the event room, lounge-type seating for brainstorming area and kitchen equipment and seating for the program.	\$ 56,670.00
<b>Total Expenses Budget:</b>		<b>\$ 111,312.00</b>

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**RENOVATION**

Item Name	Item Description	Budget
Architecture & Engineering	This item includes architecture and engineering design fees plus architect's supervision fees.	\$ 27,100.01
Inspection Fees	This item includes inspection fees for the project.	\$ 13,760.00
Renovation	This item includes cleaning and disposition, gypsum board walls, acoustic ceilings, glass wall systems, flooring, new doors and hardware, existing windows rehabilitation, cabinetry, paint and painting and signage for the program facilities. It also includes electrical work, light fixtures and telecommunications infrastructure plumbing, air conditioning equipment, installation, and balancing	\$ 209,830.00
<b>Total Expenses Budget:</b>		<b>\$ 250,690.01</b>

<b>PROJECT</b>		
Construction/Rehabilitation	Renovation of a 4171 Sq. Ft. space in Santurce.	\$ 250,690.01
<b>TOTAL COSTS</b>		<b>\$ 250,690.01</b>

<b>PROJECT ACTIVITY DELIVERY COSTS</b>		
Staffing	Project Director plus 3 new employees that will support the Project Director in managing the daily operations of FASE1. Note that three additional Trust employees will also devote effort to this project, whose salaries will be paid by the Trust as a contribution to the project.	\$ 1,195,200.00
Professional Services	This includes legal and branding services for FASE1 Intensive participants and translation services for all English language content included in both FASE1 Lab and Intensive curriculums.	\$ 97,500.00
Other Operating	This includes the initial and recurring marketing and outreach for FASE1, costs associated with the instructors and speakers in the training modules and intensive curriculum of FASE1 needed for the implementation of the program.	\$ 788,658.69
Equipment	Equipment needed for prototyping activities as well as collaboration and brainstorming through the FASE1 space.	\$ 111,312.00
<b>TOTAL COSTS</b>		<b>\$ 2,192,670.70</b>
<b>GRAND TOTAL</b>		<b>\$ 2,443,360.70</b>

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**Budget Re-distribution**

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

**End of Document**











# PRSTRT - SBIA - AMENDMENT A - SRA

Final Audit Report

2021-11-02

Created:	2021-11-01
By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAqYhTDC9SdB5KHhAfiizFCV4_7u6RT8kM

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