



COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)
UNDERWRITING SERVICES
FOR RE-GROW PR AND SMALL BUSINESS FINANCING PROGRAM (RE-GROW & SBF)

AMENDMENT B SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND UNIVERSIDAD INTERAMERICANA DE PUERTO RICO / PR SMALL BUSINESS
TECHNOLOGY DEVELOPMENT CENTER (PR SBTDC)
Contract No. 2022-DR0113
Amendment No. 2022-DR0113B



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This **AMENDMENT B TO THE SUBRECIPIENT AGREEMENT ("AMENDMENT B")** is entered into this 17 day of March, 2023, by and between the **PUERTO RICO DEPARTMENT OF HOUSING ("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**" ("**Organic Act**"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the **UNIVERSIDAD INTERAMERICANA DE PUERTO RICO / PR SMALL BUSINESS & TECHNOLOGY DEVELOPMENT CENTER (PR SBTDC) ("Subrecipient")**, a non-profit corporation, with principal offices at Urb. Jardines Metropolitanos, 399 Galileo Final Street, San Juan, Puerto Rico, represented herein by its Acting President, Rafael Ramírez Rivera, of legal age, married, and resident of Gurabo, Puerto Rico; collectively the "**Parties**".

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on August 20, 2021, the PRDOH and the Subrecipient executed a Subrecipient Agreement, registered as Contract Number **2022-DR0113 ("Agreement")**, for the amount of **one million four hundred twenty-eight thousand seven hundred ninety-one dollars (\$1,428,791.00)**, for the Subrecipient to provide **Underwriting Services** to the **Re-Grow PR Urban-Rural Agriculture Program (Re-Grow PR)** and the **Small Business Financing Program (SBF)**. The Parties agreed on a performance period of **twelve (12) months** from the execution of the Agreement, ending on **August 19, 2022**.

WHEREAS, on August 17, 2022 the PRDOH and the Subrecipient executed an **Amendment A** to the Agreement, Contract Number **2022-DR0113A ("Amendment A")**, with the purpose of modifying certain sections of the existing agreement, as well as amending the **Exhibit A** (Scope of Work), **Exhibit B** (Timeline and Performance Goals), **Exhibit C** (Key Personnel), **Exhibit D** (Budget), **Exhibit E** (Funds Certification), **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations and PRDOH Requirements), and **Exhibit H** (Subrogation and Assignment Provisions). Via **Amendment A**, the performance period of the Agreement was extended by seven (7) additional months for a new total of nineteen (19) months, ending on **March 19, 2023**. Also, the total authorized budget allocated to the Subrecipient to continue undertaking its activities was increased by five hundred seventy-three thousand eight hundred seventy-eight dollars (\$573,878.00) for a modified total budget of **two million two thousand six hundred sixty-nine dollars (\$2,002,669.00)**. Moreover, all activities, services, duties, and staff positions related to Re-Grow PR were removed from the Agreement through the aforementioned **Amendment A**.

WHEREAS, as per Section IX (A) of the Agreement, the Agreement may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the

amendment shall not invalidate the Agreement, nor release the Parties from their obligations under the Agreement.

WHEREAS, this **AMENDMENT B** does not constitute an extinctive novation of the obligations of the parties under the Agreement.

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

WHEREAS, the Subrecipient has the legal power and authority to enter into this **AMENDMENT B** with the PRDOH, via its Authorized Representative and Acting President, Rafael Ramírez Rivera, in accordance with the applicable by-laws, and as duly certified by the Board of Directors of the institution via Certification dated June 29, 2022; and by signing this **AMENDMENT B**, the Subrecipient assures the PRDOH that it shall comply with all the requirements described herein.

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

II. TERMS AND CONDITIONS

A. SAVINGS CLAUSE

The information included in this **AMENDMENT B** serves the purpose of modifying and amending certain terms and conditions under the Agreement, as established in the following sections B and C of this **AMENDMENT B**. All other provisions of the original Agreement, including its exhibits, shall continue to be in full force and effect.

B. SCOPE OF THE AMENDMENT

The goal of this **AMENDMENT B** is to reintroduce Re-Grow PR to the Agreement. Re-Grow PR requires support and expanded capacity for its underwriting process to reach important milestones that have been established. The Subrecipient has the personnel with the required expertise to provide this expanded capacity. To achieve this goals, the Parties acknowledge and agree that it is necessary to extend the period of performance of the Agreement from nineteen (19) months to **twenty-eight (28) months**. Therefore, the **END TERM** of the Agreement is being amended and extended to **December 19, 2023**, via this **AMENDMENT B**.

Modifications to the General Award Information table in **Section I** and changes to **Section V. EFFECTIVE DATE AND TERM** of the Agreement are being incorporated via this **AMENDMENT B** to accommodate the aforementioned term extension. Updated versions of the **Exhibit A** (Scope of Work) and **Exhibit B** (Timelines and Performance Goals) are being incorporated into the Agreement to reintroduce the activities regarding Re-Grow PR; additionally, to add goals and extend the timelines to perform the activities.

The **Exhibit C** (Key Personnel) is being modified to add new staff positions. Moreover, this **AMENDMENT B** entails a modification of the total authorized budget allocated to the Subrecipient to continue undertaking its activities. The Budget is being increased by nine hundred seventy-six thousand six hundred forty-four (**\$976,644.00**) dollars for a new total budget amount of **two million nine hundred seventy-nine thousand three hundred thirteen (\$2,979,313.00) dollars**. The **Exhibit D** (Budget) is being modified to include the budget changes.

Also, updated versions of the **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements) and **Exhibit H** (Subrogation and

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Assignment Provisions) are being incorporated by reference to the Agreement. A new **Exhibit J** (Non-Conflict of Interest Certification) is being incorporated by reference into the Agreement via this **AMENDMENT B**. Modifications to **Section II. ATTACHMENTS** and **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS** of the Agreement are being incorporated to address the introduction of the aforementioned new exhibit into the Agreement.

Additionally, **Section XII. CDBG-DR POLICIES AND PROCEDURES** and **Section XIII. FORCE MAJEURE** of the Agreement are being updated via this **AMENDMENT B**. Moreover, the new **Section XXXII. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION** and **Section XXXIII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** are being added to the Agreement.

C. AMENDMENTS

a. The Parties agree to amend the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement as follows:

CDBG-DR Grantee Federal Award Identification Number:	B-18-DP-72-0001
CDBG-DR Grantee Federal Award Date:	February 21, 2020
Federal Award project description:	See Exhibit A ("Scope of Work")
CDBG-DR Grantee Unique Identifier:	Unique Entity ID #: FFMUBT6WCM1
Subrecipient Contact Information:	Dr. Rafael Ramírez Rivera Acting President Universidad Interamericana de Puerto Rico Oficina Central del Sistema P.O. Box 363255 San Juan, PR 00936-3255
Subrecipient Unique Identifier:	Unique Entity ID #: PMELJCUDNL17
Subaward Period of Performance:	Start Date: Effective Date, as defined in Section V of the Agreement, as amended. End Date: December 19, 2023
Funds Certification:	<div>Date: August 3, 2021 Authorized Amount: \$1,428,791.00 Funds Allocation: CDBG-DR "R02E15SBF-EDC-LM" CDBG-DR "R02E15SBF-EDC-UN" CDBG-DR "R02E23RUR-DOA-LM" CDBG-DR "R02E23RUR-DOA-UN" Account Number: 6090-01-000 See Exhibit E ("Funds Certification")</div> <div>Date: August 8, 2022 Authorized Amount: \$573,878.00 Funds Allocation: CDBG-DR "r02e15sbf-edc-lm" CDBG-DR "r02 e15sbf-edc-lm" Account Number: 6090-01-000 See Exhibit E-I ("Funds Certification") For a total modified budget of \$2,002,669.00.</div>

	<div>Date: March 3, 2023 Authorized Amount: \$976,644.00 Funds Allocation: CDBG-DR "r02e23rur-doa-lm" CDBG-DR "r02e23rur-doa-lm" Account Number: 6090-01-000 See Exhibit E-II ("Funds Certification") For a total modified budget of \$2,979,313.00</div>
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b. **Section II. ATTACHMENTS** of the Agreement is being amended to incorporate **Exhibit J** (Non-Conflict of Interest Certification) in the list of exhibits that are attached to the Agreement:

The following attachments are incorporated into this Agreement by reference and are hereby made part of this Agreement:

Exhibit A	Scope of Work
Exhibit B	Timelines and Performance Goals
Exhibit C	Key Personnel
Exhibit D	Budget
Exhibit E	Certification of Funds
Exhibit F	HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements
Exhibit G	Special Conditions
Exhibit H	Subrogation and Assignment Provisions
Exhibit I	Insurance Requirements
Exhibit J	Non-Conflict of Interest Certification

[...]

c. **Section V. EFFECTIVE DATE AND TERM** of the Agreement is being amended as follows:

*This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this Agreement is **twenty-eight (28) months** from the date of its execution, ending in **December 19, 2023**.*

*The End of Term shall be the later of: (i) **December 19, 2023**; (ii) the date as of which the Parties agree in writing that all Close-Out Requirements 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.*

[...]

d. **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS** of the Agreement is being amended to include an additional paragraph that makes reference to the new **Exhibit J** (Non-Conflict of Interest Certification):

[...]

[...]

Moreover, the **Exhibit J** ("Non-Conflict of Interest Certification"), attached herein and made an integral part of this Agreement, outlines several situations that may reasonably be considered as conflicts of interest. The Subrecipient shall disclose and certify that, to the best of its knowledge, none of the situations exist or may exist at the date of the execution of the Agreement. The aforementioned certification aids PRDOH, in its role as grantee, to identify, evaluate, disclose and manage apparent, potential, or actual conflicts of interest related to CDBG-DR funded projects, activities, and/or operations.

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- e. The Parties agree to amend **Section XII. CDBG-DR POLICIES AND PROCEDURES** as follows:

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In addition to what is established in this SRA, the Subrecipient shall comply with all CDBG-DR program specific and general policies and procedures, which may include, but are not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Language Access Plan, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/resources/policies/>), which are herein included and made an integral part of this SRA, as they may be updated from time to time, Procurement policies and procedures in accordance with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327, and reporting requirements as established by the PRDOH.

- f. The Parties agree to amend **Section XIII. FORCE MAJEURE** as follows:

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the Contractor or Subrecipient shall be liable to the other party for nonperformance during the conditions created by such event. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date.

The Contractor or Subrecipient shall notify the PRDOH in writing as soon as possible, but in any event within ten (10) business days of the occurrence of the Force Majeure event and describe in reasonable detail the nature of the Force Majeure event, how the non-performance or delay relates to or arises from the Force Majeure event, its anticipated duration and any action taken to minimize its effect. The Contractor or Subrecipient may be entitled to reasonable adjustments in schedule, among other measures, in the foregoing circumstances. If non-performance continues for more than thirty (30) days, without reasonable justification, the PRDOH

may terminate this Agreement immediately upon written notification to the Contractor or Subrecipient.

- g. The Parties agree to add **Section XXXII. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION** as follows:

The Subrecipient must be registered in the System for Award Management (SAM) and shall maintain its registration active during contract performance and through final payment. The Subrecipient is responsible during performance and through final payment for the accuracy and completeness of the data within SAM. Failure to maintain registration in SAM can impact obligations and payments under this Agreement.

- h. The Parties agree to add **Section XXXIII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** as follows:

The Subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. As such, the Subrecipient acknowledges that it has no legal claim to any amount of CDBG funds for any projects or site acquisition under this Agreement, until the environmental review process is completed under PRDOH's satisfaction. The Subrecipient acknowledges that it will not begin any actions related to the project or site until the environmental review process is completed and has written acceptance and a Notice to Proceed from PRDOH.

- i. **Exhibit A** (Scope of Work) of the Agreement is being replaced by an updated version of the **Exhibit A** (Scope of Work) hereto incorporated by reference into the Agreement (See **Attachment I**).
- j. **Exhibit B** (Timeline & Performance Goals) of the Agreement is being replaced by an updated version of the **Exhibit B** (Timeline & Performance Goals) to add goals related to the Re-Grow Program hereto incorporated by reference into the Agreement (See **Attachment II**).
- k. **Exhibit C** (Key Personnel) of the Agreement is being replaced by an updated version of the **Exhibit C** (Key Personnel) to include new "Business Development Specialist" positions (See **Attachment III**).
- l. **Exhibit D** (Budget) of the Agreement is being replaced by an updated version of the **Exhibit D** (Budget) hereto incorporated by reference into the Agreement (See **Attachment IV**).
- m. The parties intend to modify **Exhibit E** (Funds Certification) and **Exhibit E – I** (Funds Certification) and incorporate an additional **Exhibit E – II** (Funds Certification) of the Agreement. (See **Attachment V**).
- n. **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements) of the Agreement is being replaced by an updated version of the **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements) hereto incorporated by reference into the Agreement (See **Attachment VI**).
- o. **Exhibit H** (Subrogation and Assignment Provisions) of the Agreement is being replaced by an updated version of the **Exhibit H** (Subrogation and Assignment Provisions) hereto incorporated by reference into the Agreement (See **Attachment VII**).

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- p. **Exhibit J** (Non-Conflict of Interest Certification) is being incorporated by reference into the Agreement (See **Attachment VIII**).

III. SEVERABILITY

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

IV. SECTION HEADINGS AND SUBHEADINGS

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

V. COMPTROLLER REGISTRY

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

VI. ENTIRE AGREEMENT

The Agreement, as amended, constitutes the entire agreement among the Parties for the use of funds received under the Agreement, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties concerning the Agreement, as amended.

VII. FEDERAL FUNDING

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

VIII. COMPLIANCE WITH INSURANCE & BONDING REQUIREMENTS

PRDOH will execute this **AMENDMENT B** conditioned to the submission by the Subrecipient of the required insurance policies within **thirty (30)** calendar days of the signing of this **AMENDMENT B**. **Failure to comply with the submission of the insurance policies may result in the withholding of reimbursements or the termination of the Agreement.**

[SIGNATURES ON THE FOLLOWING PAGE.]

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

PUERTO RICO DEPARTMENT OF HOUSING
CDBG-DR Grantee

William O. Rodríguez Rodríguez
By: William O. Rodríguez Rodríguez (Mar 17, 2023 18:24 EDT)
Name: William O. Rodríguez Rodríguez
Title: Secretary

UNIVERSIDAD INTERAMERICANA DE PUERTO RICO
PR SMALL BUSINESS & TECHNOLOGY DEVELOPMENT CENTER
Subrecipient

Rafael Ramírez Rivera
By: Rafael Ramírez Rivera (Mar 17, 2023 17:05 EDT)
Name: Dr. Rafael Ramírez Rivera
Title: Acting President



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT I

EXHIBIT A

SCOPE OF WORK

RE-GROW PUERTO RICO URBAN RURAL AGRICULTURE PROGRAM AND SMALL BUSINESS FINANCING PROGRAM UNIVERSIDAD INTERAMERICANA DE PUERTO RICO

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Description

The Puerto Rico Department of Housing (**PRDOH**) is issuing this Scope of Work to seek Underwriting Services to support PRDOH and Program Partners¹, with efforts on various Community Development Block Grant - Disaster Recovery (**CDBG-DR**) Programs. The underwriting processes shall consist of a detailed and systematic analysis of a potential Applicant's creditworthiness, including employment history, salary, financial statements and performance, publicly available information, and independent credit reports. Upon completion of a formal underwriting process and a summary, the grants, shall be feasible for either approval or rejection by the Program Partners. The extent of the Scope of Work is to support the Re-Grow Puerto Rico Urban Rural Agriculture Program (**Re-Grow Program**) and Small Business Financing Program (**SBF Program**), also collectively the "Programs with Underwriting Services".

¹ Program Partners are subrecipients who perform grant management duties under PRDOH involving turnkey administration of programs under the PRDOH CDBG-DR portfolio. See 2 C.F.R. § 200.1.

1. Programs Overview/Background

A. Re-Grow Program

The goal of the Re-Grow Program is to increase food security on the island and expand local agricultural production. The Re-Grow Program is a response to the devastation Hurricanes Irma and María inflicted on Puerto Rico's agriculture economy that will reduce vulnerability to future events and simultaneously revitalize an important sector of Puerto Rico's economy.

B. SBF Program

SBF Program funding supports small business and microenterprise recovery through the initial funding of Recovery Grants up to a maximum of one hundred and fifty thousand dollars (\$150,000.00) to cover working capital and moveable equipment to support the rehabilitation or new construction of small business facilities.

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2. National Objective

All activities of a CDBG-DR Program must meet one (1) of the three (3) National Objectives defined in the authorizing statute of the CDBG program at section 104(b)(3) of the Housing and Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5304. The PRDOH anticipates that each Program's eligible activities will meet one (1) of the below listed national objectives. PRDOH will work with entities who are funded through these Programs to determine the national objective for each project according to 24 C.F.R. § 570.483 and listed here below:

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
 - Job Creation/Retention
 - Area Benefit
 - Limited Clientele
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))

PRDOH has set a programmatic goal to expend seventy percent (70%) of **Re-Grow Program** funds on projects that result in a benefit to LMI individuals or that demonstrably serve LMI areas.

PRDOH has set a minimum goal to expend thirty percent (30%) of **SBF Program** funds on projects that result in a benefit to LMI individuals or that demonstrably serve LMI areas.

3. Program Description

- **Re-Grow Program**

The Re-Grow Program will provide grants to existing, restarting, or start-up small farms, farmers, and agricultural businesses. These grants are intended to strengthen the agricultural sector of the Puerto Rican economy. Eligible applicants can apply for up to **one hundred fifty thousand dollars (\$150,000.00)** in direct grant assistance for eligible program costs as outlined in the Re-Grow Program Guidelines. The amount of the grant award will be determined through eligibility review, underwriting, and a duplication of benefits calculation performed based on information from an online application for assistance.

In addition to providing grants, the Re-Grow Program will also provide a wide range of technical assistance activities across the agriculture sector, giving farms and farmers access to essential services and resources. The technical assistance is intended to build capacity in organizations and agencies that bolster the agricultural sector of the economy.

- **SBF Program**

The SBF Program will assist eligible Puerto Rico owned and operated microenterprises and small businesses to help restart operations and/or recover in the wake of Hurricanes Irma and/or María by providing Recovery Grants of up to **one hundred and fifty thousand dollars (\$150,000.00)** for working capital and equipment. The amount of the grant and timing of draws will be based on the determination of unmet need and eligible expenses as assessed in a business's Application to the Program.

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4. Key Activities

To implement the Programs' objectives as described above, key activities to be carried out by Subrecipient performing Underwriting Services include, but are not limited to:

1. Evaluate program applicant documentation according to underwriting criteria as set in Program Guidelines, Standard Operating Procedures (**SOPs**), and pertinent standard financial practice to determine if cases demonstrate compliance with underwriting requirements.
2. When necessary, gather additional financial supporting documentation from program applicant in order to verify compliance with underwriting requirements. This documentation should only be gathered on a case-by-case basis when eligibility documentation is insufficient to determine financial characteristics and conditions of a program applicant.
3. Assist program applicants with prompt assistance to help them through the process in a timely manner and increase applicant engagement.
4. Continuously improve underwriting efficiency and ensure staffing capacity to successfully execute the Re-Grow and SBF Programs underwriting performance targets.
5. Respond to Program Partner or PRDOH requests for information related to Programs Based Reconsideration Requests and Complaints Resolution.

For all Programs under Underwriting Services, grant amounts will be calculated based on demonstrated unmet needs. Application criteria, National Objectives, and program guidelines are published on the disaster recovery website subsequent PRDOH approval (www.cdbg-dr.pr.gov).

If additional CDBG-DR funds are allocated to Puerto Rico during the life of the SRA, Subrecipient staff may be assigned to work on those future federal grants awarded and potentially expand those services to accommodate other CDBG-DR programs yet to be defined in the current Action Plan. There is no guarantee of a minimum level of services which may be requested by PRDOH under the SRA.

5. Tasks

The Subrecipient will serve as Underwriter for the Re-Grow and SBF Programs under this SRA with PRDOH. In addition to the tasks included herein, the

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Subrecipient shall perform any other task necessary for the proper performance of the services under the SRA.

Task Number	Task
5.1	Office Configuration and Logistics
5.2	Project/Agreement Management
5.3	Document Control and Management
5.4	Accounting and Reporting
5.5	Underwriting and Financial Review
5.6	Compliance with Cross-Cutting Requirements

The Subrecipient will prepare and submit all necessary documentation related to proposed projects for development under the Programs with Underwriting Services. Proposed projects documentation shall demonstrate compliance with all eligibility requirements established in **Re-Grow** and **SBF** Program Guidelines.

PRDOH will provide funding and technical assistance to the Subrecipient to complete the following tasks as applicable to each of the Programs with Underwriting Services:

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5.1 Office Configuration and Logistics

- 5.1.1. Set-up offices and secure necessary equipment for these offices to function. Office spaces must be suitable for the services to be provided, and provide required visitor amenities such as on-site parking, rest rooms, and comply with **ADA** accessibility requirements.
- 5.1.2. Secure or provide workspace items and materials such as furnishings and equipment for the offices (including such items as computers, printers, office materials, etc.).
- 5.1.3. Secure equipment and technologies required to support remote or virtual Program operations (including items such as laptop computers and WiFi devices).
- 5.1.4. Establish satellite offices as needed to support Programs demands.

5.2. Project Management

- 5.2.1. Establish, communicate, prioritize, and enforce production and performance goals in alignment with the Programs priorities and objectives. Lead coordination and control over execution of all Programs activities.
- 5.2.2. Monitor and control team performance in accordance with established performance goals, regulatory compliance, and quality standards and recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.
- 5.2.3. Create, maintain, and control project plan which includes clear critical path, task dependencies, identified slack, resource allocation (including human and other resources), and activity status.
- 5.2.4. Deliver staff listed in **Exhibit C** promptly to support Programs demands as committed to in **Exhibit B**, which may increase and decrease or change throughout the Programs life cycle. Ensure sufficient and adequate staffing levels at all times to support timely and efficient Programs operations.
- 5.2.5. Establish, communicate, and enforce standard, efficient, and streamlined processes and strategies to support delivery of Program goals, risk management, quality assurance, stakeholder management, and change management; engage in total quality management practices to regularly evaluate effectiveness of established processes and implement change when needed. Processes may be subject to PRDOH review and approval.
- 5.2.6. Lead and review all program monitoring activities to prepare and present reports, data, documents, or other information as required by the PRDOH, HUD, the United States Office of Inspector General (**OIG**), or other oversight entities.

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- 5.2.7. Engrain transparent, regular reporting to ensure stakeholders of all levels and importance remain informed and empowered to make decisions and report on issues such as, but not limited to: risk, Program progress, milestones achieved, performance issues, Program successes, compliance concerns, and Program demographics.
- 5.2.8. Maintain a complete understanding of all applicable Program policies, requirements, procedures, guidelines; and shall possess knowledge of regulatory and statutory compliance requirements for CDBG-DR and similar programs/projects. Ensure all Program participants, including Applicants, vendors, and stakeholders are aware of all policy changes.
- 5.2.9. Support in the implementation of the Programs in a compliant manner, per the CDBG-DR regulations, policies, procedures, and all applicable state, local and federal regulations.
- 5.2.10. Identify and promote any other function in support of the successful achievement of Programs' objectives.

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5.3. Document Control and Management

- 5.3.1. In accordance with HUD regulations, follow the records retention requirements as cited in 24 C.F.R. §84.53, which includes: financial records, supporting documents, statistical records, and all other pertinent records. Following PRDOH's CDBG-DR Recordkeeping Management & Accessibility Policy; records must be maintained for **five (5) years**.
- 5.3.2. Maintain a clearly defined process for acquiring, organizing, storing, retrieving, and reporting on financial records and project and activity records.
- 5.3.3. Store, archive, and retrieve physical documents and electronic images of all paper documents, Applicant-related emails, correspondence, training material, policies and procedures, and other documents or materials as may be required.
- 5.3.4. Establish and maintain protocols for physical file management, as applicable, to include, among other things, access to a file, tracking of location and possession of a file, and return of a file.
- 5.3.5. Ensure all project information and documentation is available at all times in the system of record.
- 5.3.6. Any systems, tools, or technology provided must meet Personal Identifiable Information (**PII**) requirements as outlined in the Privacy Act of 1974, 5 U.S.C. § 552a (Privacy Act), 24 C.F.R. Part 5, and PRDOH policy for protection of PII.
- 5.3.7. Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, the following

records are required:

- 5.3.7.1. Records documenting compliance with the Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Minority Business Enterprise, Women Business Enterprise, Section 3 of the Housing and Urban Development Act of 1968, fair housing and equal opportunity requirements, as applicable;
- 5.3.7.2. Financial Records providing full description of each activity;
- 5.3.7.3. Records verifying that activity meets national and grant objectives;
- 5.3.7.4. Records related to demonstrating eligibility of activities;
- 5.3.7.5. Records required to document activity related to real property;
- 5.3.7.6. Records and reports required by the Programs with Underwriting Services; and
- 5.3.7.7. Records supporting any specific requirements of the Re-Grow and SBF Programs or the CDBG-DR allocations.

5.3.8. Any other task necessary for the proper document control management.

5.4. Accounting and Reporting

- 5.4.1. Provide status reports on a regular basis to keep the PRDOH and/or Program Partners informed of progress.
- 5.4.2. As requested, meet with the PRDOH or Program Partners to discuss the status of the project, Applicant concerns, and any other issues that may have arisen during the administration of the assigned Programs with Underwriting Services.
- 5.4.3. Provide the PRDOH with project progress reports on demand, as well as access to independently maintained project management system for PRDOH to monitor the project.
- 5.4.4. Report on information that includes project activity deemed critical by the PRDOH.
- 5.4.5. Compile and review information necessary to prepare reports required under HUD regulations.
- 5.4.6. Reconcile with the PRDOH, on an established periodic basis, a complete inventory of assets with an acquisition price of **five hundred dollars (\$500.00)** or more and a useful life of **one (1) year** or longer, furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.

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- 5.4.7. Review and submit recommendations for approval of CDBG-DR funding requests if needed.
- 5.4.8. Review requests for payment from Applicants for CDBG-DR awards. This will include review of all reimbursement of eligible costs as well as cost feasibility.
- 5.4.9. Any other task necessary to ensure proper accounting and reporting as related to the specific Program.

5.5. Underwriting and Financial Review

- 5.5.1. Gather underwriting documents and data – Assist Applicants in providing, and obtaining all documentation required to perform underwriting for grants, inclusive of, but not limited to, information regarding previous benefits received from public and private sources, financial statements, credit reports, external funding commitments, and tax returns. Assistance may include, but is not limited to, providing technical assistance or guidance to Applicants, or contacting third party entities on the Applicant's behalf to obtain information. This documentation should only be gathered on a case-by-case basis when eligibility documentation is insufficient to determine financial characteristics and conditions of a program applicant. In some circumstances, the Underwriter may need to contact the program applicant to clarify documentation.
- 5.5.2. Perform grant underwriting based on PRDOH established underwriting criteria, and in conformance with the requirements of 24 C.F.R. Part § 570, Appendix A for economic development activities, inclusive of:
 - 5.5.2.1. Reasonableness of project costs.
 - 5.5.2.2. Verifying that all project funding sources are accurate and committed.
 - 5.5.2.3. That to the extent practicable, CDBG-DR funds are not substituted for non-Federal financial support.
 - 5.5.2.4. That the project is financially feasible.
 - 5.5.2.5. That to the extent practicable, the return on the owner's equity investment will not be unreasonably high.
 - 5.5.2.6. That to the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project.
- 5.5.3. Ensure that underwriting for recovery grants follow HUD guidelines at 24 C.F.R. § 570.209 as the financial underwriting framework for evaluating the feasibility of Applications and adheres to program guidelines and procedures.
- 5.5.4. Ensure that the activities to be carried out are not prohibited or

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not supported to be assisted with CDBG funds, as established in HUD guidelines.

- 5.5.5. Perform Duplication of Benefits analysis, in accordance with Stafford Act (42 U.S.C. § 5155), including but not limited to acquiring documentation, reviewing benefits, and determining unmet needs.
- 5.5.6. Determine Applicant award amounts based on Programs policies and procedures, to and with consideration for preventing duplication of benefits.
- 5.5.7. Use third-party datasets, as provided by PRDOH, to research previous benefits received by Program Applicants and account for previous benefits received that are duplicative and non-duplicative of funding provided by the Program.
- 5.5.8. Obtain credit reports, where applicable, for Applicants, in accordance with applicable statutory and regulatory requirements.
- 5.5.9. Ensure continuous underwriting review of Applications with a goal of maintaining a pace to award the total Program budget set aside for grants within the term of this SRA, pending enough approved Applications are received.
- 5.5.10. Ensure consistent and timely treatment of all Applicants and underwriting reviews and take all precautions necessary to avoid delays in the processing of underwriting reviews.
- 5.5.11. Properly document and submit comments for all determinations, decisions, and/or clarifications undertaken. Ensure every application file is supported with enough comments and notes that all third parties reviewing file can understand the reason why checklist items were passed or failed and can follow the entire process from intake to final determination and closeout.
- 5.5.12. Perform validation of and determine pass or fail on each underwriting checklist item.
- 5.5.13. Subrecipient shall adhere to PRDOH's financial management policies and procedures as outlined in the Financial Policy, the Program Guidelines, or policies and procedures for this Program, including but not limited to:
 - 5.5.13.1 Follow PRDOH Finance policies and protocols for submitting and processing Request for Payments, including use of the PRDOH's CDBG-DR Finance System;
 - 5.5.13.2 Review the Request for Payment, and submit to PRDOH; and
 - 5.5.13.3 Establish a separate bank account to receive payments from PRDOH of HUD CDBG-DR funds.
- 5.5.14. Account and reporting of uses of CDBG-DR funds, including but

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not limited to information on National Objectives met, beneficiary demographics, and case completion status.

- 5.5.15. Maintain work in the designated System of Records, per the CDBG-DR Program Records Retention Policy and applicable regulatory requirements.
- 5.5.16. Submit regular Monthly Progress Reports and ad-hoc reports, as necessary, to the PRDOH, in the form and with the content specified and required by PRDOH, in the frequency or form determined by PRDOH at the moment of request.
- 5.5.17. Follow monitoring policies and procedures as directed by PRDOH.
- 5.5.18. Send confirmation of underwriting complete, recommendations for award, underwriting requests for information, underwriting fail notifications and any other required Program notifications. Notifications may be sent via email or postal mail, in accordance with any applicable regulations and Applicant communication preferences.
- 5.5.19. Any other function necessary to support and complete underwriting review of applications.
- 5.5.20. Cases in underwriting shall not exceed more than **90 calendar days** in the underwriting process – starting from the moment the case is referred to underwriting, to the moment an award or fail notification is sent.

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5.6. Compliance with Cross-Cutting Requirements

- 5.6.1. Uniform Relocation Act – Ensure all Program activities comply with the **URA**, as outlined in its implementing regulation at 49 C.F.R. Part 24, and in accordance with the PRDOH URA and Residential Anti-Displacement Policy Guide, as applicable.
- 5.6.2. Ensure Program Activities are carried out in a manner that is compliant with applicable cross-cutting requirements as outlined in the PRDOH cross-cutting policy guide, as may be amended from time to time, as applicable.

6. Time Performance

All underwriting services shall be completed in the Term stated in the SRA.

7. Budget

For details refer to **Exhibit D** of the SRA package.

END OF DOCUMENT



ATTACHMENT II

EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

RE GROW PUERTO RICO URBAN RURAL AGRICULTURE PROGRAM SMALL BUSINESS FINANCING PROGRAM

UNIVERSIDAD INTERAMERICANA DE PUERTO RICO

1. PROGRAM OBJECTIVE:

The Puerto Rico Department of Housing (**PRDOH**) is seeking Underwriting Services to support the implementation efforts of two (2) **CDBG-DR** Programs: Small Businesses Finance (**SBF Program**) and Re-Grow PR Urban Rural Agriculture Program (**Re-Grow Program**), through the provision of underwriting analysis of Program related applications.

2. TERMS:

- **Key Objective** – The major objectives the Programs wants to achieve.
- **Key Activity** – The activities necessary to carry out the Objective.
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Partner** – Program Partners are subrecipients who perform grant management duties under PRDOH involving turnkey administration of programs under the PRDOH CDBG-DR portfolio.
- **Target** – The goal for each of the Indicators.
- **Timeline** – The expected completion date or timeframe.

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3. TIMELINES & PERFORMANCE GOALS

3.1 RE-GROW PROGRAM - OBJECTIVE 1: ASSIST WITH UNDERWRITING ANALYSIS OF ELIGIBLE RE-GROW APPLICATIONS

KEY OBJECTIVE #1	KEY ACTIVITY	INDICATOR	SOURCE VERIFICATION OF	TARGET	TIMELINE
Complete Underwriting Analysis of Eligible Re-Grow Applications to make an eligibility recommendation to Re-Grow Program	1.1 Complete underwriting analysis and submit cases with eligibility determination recommendation for final determination.	# of reviewed cases submitted with underwriting determination for review per month and quarter Maximum % of cases returned to the Underwriter after QC review to be corrected	Received Applications, Dashboards, Grant Management System	50 cases submitted to the Program Partner per month (or 150 per quarter) < 5% maximum of cases return for correction.	Q1 2023 - Q4 2023

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3.1.1. COMPLETE UNDERWRITING ANALYSIS AND SUBMIT CASES WITH ELIGIBILITY DETERMINATION RECOMMENDATION TO PROGRAM PARTNER.

Underwriting analysis must be completed on all Re-Grow cases as a step in the eligibility process to confirm the applicant meets the financial criteria to receive a federal award. This underwriting analysis takes place after an applicant's case has first been reviewed to confirm the applicant meets all program requirements for eligibility (excluding financial underwriting review), and that the file possesses all necessary documentation to move on to the underwriting analysis phase.

To disburse a significant amount of the funds allocated to the Re-Grow Program, a high rate of disbursement must be maintained. To maintain this desired rate, cases received must be assessed diligently and within a reasonable amount of time. At the same time, the Re-Grow Program must also attend all applications with equal importance and give good customer service to all applicants. The Underwriter is tasked with analyzing cases while maintaining said rate.

- Underwriter is expected to complete analysis on one hundred percent (100%) of cases submitted to Subrecipient for underwriting analysis of fifty (50) per month or one hundred and fifty (150) per quarter.
- Applications must move quickly through the entire evaluation process. As such, the average number of days taken to complete the Underwriting process must be maintained at **an average of no more than four (4) days** per case, after the Underwriter has received the required documentation for the underwriting process. The Underwriter is responsible for following up with the applicant to request all the necessary documentation needed to complete the evaluation. Failure to do so may result in the Underwriter's removal from said evaluation.
- Must submit and maintain records within the Program's Grant Management System. Documents must be uploaded in a high-quality format and labeled according to Programs SOPs.
- High accuracy in work is a must, as such the Program will tolerate **a maximum of five percent (5%)** of cases returned to the Underwriter by the Partner for correction of work product.
- Program Goals are based on the current needs of the Re-Grow Program. PRDOH reserves the right to change these goals as the need arises. PRDOH will notify the Subrecipient, at the program level, in writing **thirty (30) days** prior to the new goals taking effect.

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3.2 SBF PROGRAM - OBJECTIVE 2: ASSIST WITH UNDERWRITING ANALYSIS OF ELIGIBLE SBF APPLICATIONS

KEY OBJECTIVE #2	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
Complete Underwriting Review for Program Applicants to make an Award Recommendation to SBF Partner BDE.	2.1 Complete underwriting analysis for cases and submit award determination recommendation to SBF Program Partner BDE	# of cases submitted to BDE for review % of eligible applications that commence review % of cases returned to the Underwriter by BDE after review	Received Applications, Dashboards, Grant Management System Progress Report	120 cases submitted to the Program Partner per month (or 360 per quarter) number of cases allowing. If, cases exceed 120 per month, 90% of all the applications received must be in process of review A maximum of 5% of cases returned by the Program Partner after review	Q1 2023 - Q4 2023
	2.2 Support resolution of Program Based Reconsideration Requests and Complaints Resolution	% of reconsideration cases responded	Grant Management System and Formal Communications	100% of reconsiderations responded	Q1 2023 - Q4 2023

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3.2.1 COMPLETE UNDERWRITING ANALYSIS FOR CASES AND SUBMIT AWARD DETERMINATION RECOMMENDATION TO PROGRAM PARTNER

Underwriting analysis must be completed on all SBF cases as a step in the eligibility process to confirm the applicant meets the financial criteria to receive a federal award. This underwriting analysis takes place after an applicant's case has first been reviewed by BDE or participating case management service providers to confirm the applicant meets all program requirements for eligibility (excluding financial underwriting review), and that the file possesses all necessary documentation to move on to the underwriting analysis phase.

To disburse a significant amount of the funds allocated to the Program, a high rate of disbursement must be maintained. To maintain this desired rate, cases received after underwriting analysis must be assessed diligently and within a reasonable amount of time. At the same time the Program must also attend all applications with equal importance and give good customer service to all applicants. The Underwriter is tasked with analyzing cases while maintaining said rate and quality.

- Underwriter is expected to complete analysis on one hundred percent (100%) of cases submitted to Subrecipient for underwriting analysis of at least one-hundred and twenty (120) per month or three-hundred and sixty (360) per quarter, number of cases allowing.
- Applications must move quickly through the entire evaluation process. As such the average number of days taken to complete the Underwriting process must be maintained at **an average of no more than four (4) days** per case, after the Underwriter has received the required documentation for the underwriting process. The Underwriter is responsible for following up with the applicant to request all the necessary documentation needed to complete the evaluation. Failure to do so may result in the Underwriter's removal from said evaluation.
- High accuracy in work is a must, and the Program will tolerate a **maximum of five percent (5%)** of cases returned to the Underwriter by the Partner for correction of work product.
- Program Goals are based on the current needs of the SBF Program. PRDOH reserves the right to change these goals as the need arises. PRDOH will notify the Subrecipient, at the program level, in writing **thirty (30) days** prior to the new goals taking effect.

3.2.2 SUPPORT PROCESSING OF PROGRAM BASED RECONSIDERATION REQUESTS AND COMPLAINTS RESOLUTION

The program-based reconsideration requests resolution task involves support activities on the Underwriters behalf which may be necessary for BDE to adjudicate program-based reconsideration requests initiated by program applicants. This task is expected to be

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recurring throughout the life of the SRA. The program-based reconsideration requests resolution task is initiated when a citizen or applicant submits a program-based reconsideration request. The task is considered complete when a program-based reconsideration request is adjudicated and duly notified to the applicant.

The complaint resolution task involves activities necessary to attend to citizen or applicant complaints, as coordinated by BDE. This task is expected to recur throughout the life of the SRA. BDE shall compile all information required by PRDOH in order to resolve the complaint. The task is considered complete when all information has been submitted to PRDOH to resolve the complaint.

- **One hundred percent (100%)** of all requests for information pertaining to reconsideration requests received must be responded.
 - Subrecipient might be requested to provide additional information or documentation related to their review in relation to a reconsideration request.
- Submit information requested by BDE related to complaints or administrative review requests within **three (3) business days** of request.

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT III

EXHIBIT C

KEY PERSONNEL

RE-GROW PUERTO RICO URBAN RURAL AGRICULTURE PROGRAM AND SMALL BUSINESS FINANCING PROGRAM

UNIVERSIDAD INTERAMERICANA DE PUERTO RICO

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Below is the Staffing Plan for the Universidad Interamericana de Puerto Rico which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR **Underwriting Services**.

I. Roles

Roles

Executive Director
Associate Director Operations Management
Associate Director Financial Management
Financial Analyst
Strategic Planning & Business Development Manager
Associate Director Quality and Compliance
CDBG-DR Project Director
Senior Business and Underwriter Advisor (Team Lead)
Business Underwriter and Loan Consultant
Business Development Specialist

II. Roles Description:

Name of Position	Role Description
Executive Director (ED)	Responsible for the CDBG-DR program activities, including but not limited to, oversight of management and operations,

	communications, periodically staff meetings, performance and milestones achievement, documentation, review and approval of contractual services, project and work plan development, and reporting review, among others. ED is responsible to oversees and monitors the Project Director and its staff, financial and programmatic planning, implementation, and execution of the CDBG-DR activities. ED is accountable for staff performance, financial, and programmatic compliance issues on CDBG-DR activities.
Associate Director Operations Management (ADOM)	Coordinates CDBG-DR Program activities including staffing, onboarding process and data management procedures, operational issues, communications, meetings, documentation, programmatic compliance, project development, and reporting on CDBG-DR activities. ADOM assists in design, operation, and improvement of the systems for underwriting services. Oversees and manage the CRM system, delivered electronic aggregated data to key partners, performs reports and maintains data quality. Provides support to Project Director for monitoring CDBG-DR data performance and the implementation of initiatives. The ADOM assists the Executive Director and support CDBG-DR staff on organizational process, administrative procedures, operational activities, staff deployment and recruiting, project development, and results.
Associate Director Financial Management (ADFM)	Responsible and support CDBG-DR Project Director for financial related activities including policies, procedures, controls, payroll, budget monitoring, budget review and monitoring, financial reporting, inventory, and equipment management. Directly assisting the Executive Director of the PR-SBTDC and Project Director with budget management and financial compliance, financial projections, and procurement and equipment acquisitions. The ADFM also oversees the Sub-Recipient Agreement (SRA) prepares fund requests, accounts receivable management and preparation other monitoring financial reports, Planning and execute financial monitoring procedures on CDBG-DR activities.
Financial Analyst (FA)	Provides assistance to Associate Director Financial Management and Project Director on CDBG-DR Program financial related activities including procurement requisition requests, budget management and analysis, funds allocation and balances, inventory and equipment management, and disbursement process. FA periodically analyze, verify, reconcile, and submit recommendations on the various accounts and financial matters to ADF and Project Director. Monitor the budget account balances, budget, property, identify indicators and recommendations for maximization and projection of expenses. Analyze, verify, prepare accounts payable aging of the CDBG-DR vendors and suppliers, prepares related financial reports and analyze financial data for efficiency and effectiveness key management indicators.
Strategic Planning &	Responsible and support Project Director on CDBG-DR Program development, performance reporting activities, and strategic

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Business Development Manager (SPBDM)	planning procedures for goals and metrics achievement. Prepares performance reports and milestones timeline assessment. The SPBDM monitors CDBG-DR performance development and provides management support for strategies and milestones accomplishment.
Associate Director Quality and Compliance (ADQC)	Responsible for implementation of internal controls and performance procedures for CDBG-DR activities, including but not limited to underwriting services, periodically support to Project Director on the establishment of CDBG-DR policies and procedures, quality underwriting services, and program monitoring and reporting. The ADQC will design, implement, and review underwriting and financial review processes to enhance the performance and delivery of services. Responsible for the development and ongoing maintenance of robust quality management systems ensuring the Program statutory duties are fulfilled and exceeded. Ensure systems and services are monitored and reviewed in order to continually improve quality and outcomes. The ADQC have overall responsibility for writing, revising, reviewing, updating, and developing policies and procedures, and ensure fully compliance with CDBG-DR policies and procedures.
CDBG-DR Project Director	Overall responsibility of the Project performance and case portfolio management. CDBG-DR Project Director is responsible for high quality services including underwriting and financial review processes and financial analysis. Manages the CDBG-DR Program, which includes, but not limited to, supervision of the project staff, achieves project milestones and submission of performance reports to the ADQC and SPBDM. Reviews cases for underwriting analysis and submits ReGrow and SBF recommendations to Case Managers and BDE for client's applications. Responsible for the daily supervision and performance of Senior and Business Underwriter Advisors and Small Business Specialist and their time records and attendance. Reviews and assesses applicant's reconsideration requests and complaints resolution. The extent of these responsibilities is determined by the PR-SBTDC Executive Director.
Senior Business and Underwriter Advisor (Team Lead)	Responsible for the Underwriter Analysts committee (team) performance and evaluates and provides recommendations to CDBG-DR applications assigned to his/her advisors. Reviews and assesses business eligibility requirements, applications completeness, policies compliance, duplication of benefits, documentation for applicant business reconsideration requests, project cost reasonability, financial feasibility, and allowable business investment. Completes underwriting analysis for cases and submits applications amount determination to CDBG-DR Project Director. Coordinates with Case Managers additional documents or information for incomplete applications or reconsideration requests.
Business Underwriter and Loan Consultant	Prepare client cases for the underwriting process, evaluates applications/cases and performs financial analysis. Assesses completeness of received applications and presents or

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	participates on underwriting committees (teams). Reviews Regrow and SBF applications and documentation for the underwriting process, which includes, but not limited to: invoices, duplicate of benefits, credit reports, tax records, financial statements, and screening of applicant qualifications. Gather additional documents needed for committee analysis. Coordinates with Case Managers additional documents or information for incomplete applications or reconsideration requests.
Business Development Specialist	Provides assistance and support to CDBG-DR Project Director and Business Underwriters including receives applications from Case Managers, screening applicants' qualifications, organizes documents and cases for underwriting and financial review consultants, client's cases filing, manages and address communications from/to Project Director and/or other staff, supporting consultants and advisors with necessary documentation. Performs record keeping, reporting duties, cases documentation, filing, client call requests, among other administrative responsibilities.

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EXHIBIT D – SECTION 1

BUDGET

RE-GROW PUERTO RICO URBAN RURAL AGRICULTURE PROGRAM AND SMALL BUSINESS FINANCING PROGRAM

UNIVERSIDAD INTERAMERICANA DE PUERTO RICO

DESCRIPTION OF SERVICES

The Universidad Interamericana de Puerto Rico will provide Underwriting Services for various **CDBG-DR** programs, especially the Re-Grow Puerto Rico Urban Rural Agriculture Program and Small Business Financing Program to assist with the economic recovery of Puerto Rico. These services include the following two functions:

- Complete the underwriting process to determine the amount of CDBG-DR assistance that is necessary and reasonable to assist the applicant in achieving recovery.
- Ensure Program compliance by confirming that all applicants meet federal and local regulations, and programmatic requirements.

The Universidad Interamericana de Puerto Rico will provide the services for all application received via the agencies delegated to administer the programs. The Universidad Interamericana de Puerto Rico staff assigned to the Programs will complete their underwriting review with an understanding that different levels of review may be required depending upon differences in the size and scope of each Program Application, and in the case of a microenterprise or other small business, based upon differences in the capacity and level of sophistication among businesses of differing sizes.

The funds committed by this Agreement will be used only to provide services in connection with the programs. This budget will support the salaries (including fringe benefits) for twenty-five (25) employees per the responsibilities described on Exhibit C Key Personnel. The Universidad Interamericana de Puerto Rico staff will deliver underwriting services, compliance review, monitoring, reporting, strategic planning, and coordination to ensure the achievement of program goals and its success. The Universidad Interamericana de Puerto Rico will request reimbursement of indirect cost per the Negotiated Indirect Cost Related Agreement as approved by the United States Department of Labor.

The Universidad Interamericana de Puerto Rico has included only the costs necessary to cover reimbursement for staff travel at federal mileage rate and the minimum equipment for the staff to be hired.

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EXHIBIT D – SECTION 2 - BUDGET

Grant:	CDBG-DR		
Contractor:	UNIVERSIDAD INTERAMERICANA / PR-SBTDC		
Program:	SMALL BUSINESS FINANCING		
DRGR Activity Code:	R01A01ADM-DOH		

Cost Type	Chart of Accounts Code	Activity Description	CONTRACT Budget
ADMINISTRATION			\$ -
PLANNING			\$ -
PROJECT			\$ 2,979,313.00
Project			
	TOTAL COSTS		\$ -
PROJECT ACTIVITY DELIVERY COSTS			
	STAFFING		\$2,448,488.00
	OTHER OPERATING		\$501,625.00
	EQUIPMENT		\$29,200.00
	TOTAL COSTS		\$ 2,979,313.00
GRAND TOTAL			\$ 2,979,313.00

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Budget Detail

SMALL BUSINESS FINANCING

Subrecipient Name: UNIVERSIDAD INTERAMERICANA / PR-SBTDC

STAFFING

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Position	Qty. of Resources [A]	Max. Hours per month per Resource [B]	Hourly Rate [C]	Max. Monthly Cost [D=AxBxC]
Executive Director	1	10	\$60.00	\$600.00
Associate Director OPM	1	20	\$40.00	\$800.00
Associate Director FM	1	20	\$40.00	\$800.00
Associate Director Quality and Compliance	1	40	\$40.00	\$1,600.00
Strategic Planning and Business Development Manager	1	10	\$30.00	\$300.00
Financial Analyst	1	174	\$15.00	\$2,610.00
CDBG-DR Project Director	1	174	\$34.00	\$5,916.00
Business Development Specialist	2	174	\$12.00	\$4,176.00
Senior Business and Underwriter Advisor (Team Lead)	3	174	\$27.00	\$14,094.00
Business Underwriter and Loan Consultant	13	174	\$25.00	\$56,550.00
Total Maximum Monthly Cost:				\$87,446.00
Total Cost for Nineteen (28) Months:				\$2,448,488.00

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OTHER OPERATING

Item Name	Item Description	Budget
Contractual	Computer, information system and cloud-based technical support directly related to the CDBG-DR activities. These services are not provided through the indirect cost agreement (NICRA).	\$2,000.00
Travel	Estimated travel expense based on 2,500 miles x \$0.40 cents per mile for meetings and other directly related to CDBG-DR activities.	\$1,000.00
Office Supplies	Includes, but not limited to, computer and desk supplies, hot-spot device, office and conference chairs, papers, folders/envelopes, photocopier supplies and minor computer upgrades, and any other minor equipment related to CDBG-DR activities.	\$10,356.00
Communication & Telephone	Includes broadband and internet services, telephone, mobile and online communications systems, including emails and conference calls, among others, related to the CDBG-DR activities.	\$3,000.00
Licensed Software & Applications	Computer software, licenses and applications used for case documentation, underwriting process, online meetings and reports, among others directly related to the CDBG-DR activities.	\$6,000.00
Printing	Estimated costs for printing materials includes, but not limited to, manual of procedures, reproduction or any other allowable printing material directly related to CDBG-DR activities.	\$1,500.00
Rent & Parking	Rent is considered the acquisition of additional space for CDBG-DR Staff to secure privacy and confidentiality of underwriting process. The estimated cost is based on the actual lease agreement rate of \$27/sq.ft. for 3,310 sq.ft. leased office, including parking spaces.	\$207,000.00
Indirect Cost	Indirect cost rates of 36% for off-campus is based on salaries, following the "Indirect Cost Agreement" from our host institution. The indirect cost rate generally, but not limited to, the cost of administration (procurement over certain amount, personnel administration, legal department, among others) necessary to execute, but not charged to the project as a direct cost.	\$270,769.00
Total Expenses Budget:		\$501,625.00

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EQUIPMENT

Item Name	Item Description	Budget
Computers	Includes the acquisition of computer equipment for 17 new personnel exclusively assigned to CDBG-DR project.	\$15,600.00
Office Equipment	Includes, but not limited to, the acquisition of office desks and/or modular furniture for personnel assigned to CDBG-DR project.	\$7,600.00
Lease Equipment	Multifunctional equipment with copier, printer, fax and scanner functions. The estimated cost is based on a 18 months operating lease agreement associated directly to CDBG-DR activities.	\$6,000.00
Total Expenses Budget:		\$29,200.00

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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 redistribution cannot be considered as authorized.
- c) This re-distribution of funds as described here shall be considered binding and will not require an amendment to this SRA.

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT V EXHIBIT E-II

Contract Code: 2521-b

Type: Change Order A_V2

Original Registered Code: 2022-DR0113

CERTIFICATION OF FUNDS

Requested on behalf: CDBG-DR Director

The Finance Division certifies the availability of the following funds:

Contracting Of: Inter American University of Puerto Rico
Source of Funds: 14.228 CDBG Funds
For: Amendment B to 2022-DR0113 (Underwriting Services SBF/ Re-Grow
Amount: \$976,644.00

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The breakdown and grant of the certified funds is as follows:

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Grant	Area / Project	Activity Code	Category Description	Account	Amount
B-18-DP-72-0001	Economic	r02e23rur-doa-lm	E - Economic Program Subsidy	6090-01-000	\$292,993.20
B-18-DP-72-0001	Economic	r02e23rur-doa-un	E - Economic Program Subsidy	6090-01-000	\$683,650.80
					<u>\$976,644.00</u>

The above distribution of funds is subject to changes and will be allocated in accordance with the executed agreement within the parties. These funds do not affect the Puerto Rico Department of Housing (PRDOH) operational budget, and are available to be use.

If you have any questions, feel free to contact us at (787)274-2527.

Cesar Candelario Signed Date - 03/01/2023
Electronic Approval
Budget Manager

Nilda Baez Signed Date - 03/03/2023
Electronic Approval
Finance Director

*This transaction does not represent an overcharge of the account herein.



ATTACHMENT VI

EXHIBIT F

RE-GROW PUERTO RICO URBAN RURAL AGRICULTURE PROGRAM AND SMALL BUSINESS FINANCING PROGRAM UNIVERSIDAD INTERAMERICANA DE PUERTO RICO HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements

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Given that the Subrecipient Agreement (SRA) involves funds for which the U.S. Department of Housing and Urban Development (HUD) is the oversight agency, the following terms and conditions may apply to this SRA. 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 SRA.

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

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

2. STATUTORY AND REGULATORY COMPLIANCE

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

3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

The Puerto Rico Department of Housing (PRDOH) reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of this SRA, in instances where the SUBRECIPIENT or any of its subcontractors violate or breach any SRA term. If the SUBRECIPIENT or any of its subcontractors violate or

breach any SRA term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by the SRA documents, and the rights and remedies available thereunder, shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

4. REPORTING REQUIREMENTS

The SUBRECIPIENT shall complete and submit all reports, in such form and according to such schedule, as may be required by the PRDOH and/or the Government of Puerto Rico. The SUBRECIPIENT shall cooperate with all the PRDOH and/or the Government of Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 2 C.F.R. § 200.328 and 24 C.F.R. § 570.507, when applicable.

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5. SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS

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

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

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

6. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

7. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

8. CONFLICTS OF INTEREST

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

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9. SUBCONTRACTING

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

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

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

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

10. ASSIGNABILITY

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

11. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this SRA shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account

except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland "Anti-Kickback Act" of 1934, 48 Stat. 948; (codified at 18 U.S.C. § 874; and 40 U.S.C. § 3145). The SUBRECIPIENT shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

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12. 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.)

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The SUBRECIPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (**CWHSSA**), 40 U.S.C. §§ 3701-3708, as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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

13. DAVIS-BACON ACT

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

The SUBRECIPIENT shall comply with the Davis Bacon Act (40 U.S.C. § 3141, et seq.) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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

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

14. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

If, through any cause, the SUBRECIPIENT shall fail to fulfill in a timely and proper manner his or her obligations under this SRA, or if the SUBRECIPIENT shall violate any of the covenants, agreements, or stipulations of this SRA, the PRDOH shall thereupon have the right to terminate this SRA by giving written notice to the SUBRECIPIENT of such termination and specifying the effective date thereof, at least **five (5) days** before the effective date of such termination. In such event, all finished or unfinished

documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the SUBRECIPIENT under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the SUBRECIPIENT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the SUBRECIPIENT shall not be relieved of liability to the Government of Puerto Rico and PRDOH for damages sustained by the Government of Puerto Rico and/or PRDOH by virtue of any breach of the Agreement by the SUBRECIPIENT, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the SUBRECIPIENT for the purpose of set-off until such time as the exact amount of damages due to the Government of Puerto Rico and/or PRDOH from the SUBRECIPIENT is determined.

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15. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

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16. SECTION 503 OF THE REHABILITATION ACT OF 1973

(Applicable to contracts exceeding \$10,000)

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

Equal Opportunity for Workers with Disabilities:

- 1) The SUBRECIPIENT will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The SUBRECIPIENT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:
 - (i) Recruitment, advertising, and job application procedures;
 - (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
 - (iii) Rates of pay or any other form of compensation and changes in compensation;
 - (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
 - (v) Leaves of absence, sick leave, or any other leave;
 - (vi) Fringe benefits available by virtue of employment, whether or not administered by the SUBRECIPIENT;
 - (vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
 - (viii) Activities sponsored by the SUBRECIPIENT including social or recreational programs; and

- (ix) Any other term, condition, or privilege of employment.
- 2) The SUBRECIPIENT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 3) In the event of the SUBRECIPIENT's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 4) The SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the SUBRECIPIENT's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECIPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECIPIENT may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).
- 5) The SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
- 6) The SUBRECIPIENT will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Rehabilitation Act of 1973, as amended, so that such provisions will be binding upon each subcontractor or vendor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

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17. EQUAL EMPLOYMENT OPPORTUNITY

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

The SUBRECIPIENT shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. Subpt. B, Ch. 60).

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

- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment,

without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

- 2) The SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the SUBRECIPIENT's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 5) The SUBRECIPIENT will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 6) The SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- 7) In the event of the SUBRECIPIENT's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- 8) SUBRECIPIENT shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the

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contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

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

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

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

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

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

The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 7401 *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. Ch. I, Subch. C, Pt. 60, Subpt. B and Ch. I, Subch. C, Pt. 93, Subpt. B, as amended, Section 508 of the Federal Water Pollution Control Act (33 U.S.C. § 1368) and Executive Order 11738 of September 10, 1973.

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

- 1) A stipulation by the SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to Ch. I, Subch. C, Pt. 93, Subpt. B or on the

List of Violating Facilities issued by the Environmental Protection Agency (EPA)
pursuant to 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B, as amended.

- 2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 7414) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the SUBRECIPIENT that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

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20. ANTI-LOBBYING

(Applicable to contracts exceeding \$100,000)

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

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. 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.

21. BONDING REQUIREMENTS

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

The SUBRECIPIENT shall comply with 2 C.F.R. § 200.326 minimum bonding requirements:

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

22. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

- 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 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- C. 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.

- D. The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- E. The SUBRECIPIENT acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.
- F. The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
- G. Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- H. 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 (46 U.S.C. § 5307) 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).
- I. The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

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23. FAIR HOUSING ACT

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

of residential property, or in the use or occupancy of housing assisted with Federal funds.

24. ENERGY POLICY AND CONSERVATION ACT

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

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25. POLITICAL ACTIVITY

The SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Political Activity Act (Hatch Act), 5 U.S.C. §§ 1501–1508, which limits the political activity of employees.

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The SUBRECIPIENT shall comply with the Hatch Act 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 the Hatch Act, 5 U.S.C. §§ 1501–1508.

The Hatch Act applies to political activities of certain state and local employees. As a PRDOH's SUBRECIPIENT, you may participate in any of the following activities: be a candidate in nonpartisan elections; attend political meetings and conventions; contribute money; campaign in partisan elections; and hold office in political parties.

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

26. HEALTH AND SAFETY STANDARDS

All parties participating in this project agree to comply with Sections 3702 and 3704 (a) of the Contract Work Hours and Safety Standards Act (CWHSSA), 40 U.S.C. §§ 3702 and 3704. Section 3704 (a) 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 a contract to acquire a commercial product (as defined in 41 U.S.C. § 103) or a commercial service (as defined in 41 U.S.C. § 103a).

27. PERSONNEL

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

who is serving sentence in a penal or correctional institution shall be employed on work under this SRA.

28. WITHHOLDING OF WAGES

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

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29. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

30. 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.

31. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

The SUBRECIPIENT agrees to establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have a family, business, or other tie. The SUBRECIPIENT will be aware of and avoid any violation of the laws of this State which prohibit municipal officers and employees from having or owning any interest or share, individually or as an agent or employee of any person or corporation, either directly or indirectly, in any contract made or let by the governing authorities of such municipality for the construction or doing of any public work, or for the sale or purchase of any materials, supplies or property of any description, or for any other purpose whatsoever, or in any subcontract arising therefrom or connected therewith, or to receive, either directly or indirectly, any portion or share of any money or other thing paid for the construction or doing of any public work, or for the sale or purchase of any property, or upon any other contract made by the governing authorities of the municipality, or subcontract arising therefore or connected therewith.

The SUBRECIPIENT will also be aware of and avoid any violation of the laws of this State which prescribe a criminal penalty for any public officer who has an interest in any contract passed by the board of which he or she is a member during the time he or she was a member and for **one (1) year** thereafter.

32. 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.

33. INTEREST OF SUBRECIPIENT

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

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34. RELIGIOUS ACTIVITY

The SUBRECIPIENT agrees to provide equal participation to faith-based organizations in HUD programs and activities and to abstain from disfavoring any faith-based organization, including by failing to select a faith-based organization, disqualifying an faith-based organization, or imposing any condition or selection criterion that otherwise disfavors or penalizes an faith-based organizations in the selection process using any funds related to this Agreement. 24 C.F.R. 570.200(j); 24 C.F.R. § 5.109 (c).

35. FLOOD DISASTER PROTECTION ACT OF 1973

The SUBRECIPIENT will ensure that procedures and mechanisms are put into place to monitor compliance with all flood insurance requirements as found Section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. 4106, and the regulations in 44 C.F.R. parts 59 through 79. 24 C.F.R. § 570.605.

36. LEAD BASED PAINT

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

37. VALUE ENGINEERING

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

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

38. GENERAL COMPLIANCE

The SUBRECIPIENT shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds

available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. Part 58 and (2) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. Part 52.

The SUBRECIPIENT shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this Agreement, regardless of whether CDBG-DR funds are made available to the SUBRECIPIENT on an advance or reimbursement basis. This includes without limitation, applicable Federal Registers; 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. Part 570 Community Development Block Grant; applicable waivers; Fair Housing Act; 24 C.F.R. Part 35, Subpart A; 24 C.F.R. Part 58; 24 C.F.R. Part 75; 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.

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

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

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

39. 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 notices on the PRDOH, which are published in a separate notices entitled: "Clarification to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (Wednesday, November 16, 2011, 76 FR 71060); "Updates to Duplication of Benefits Requirements

Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (Thursday, June 20, 2019, 84 FR 28836); and "Applicability of Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees," (Thursday, June 20, 2019, 84 FR 28848). The SUBRECIPIENT shall carry out the activities under this Agreement in compliance with PRDOH's procedures to prevent duplication of benefits.

40. DRUG-FREE WORKPLACE

The SUBRECIPIENT must comply with drug-free workplace requirements in 2 C.F.R. §§ 182.200 through 182.230 of the Drug-Free Workplace Act of 1988, 41 U.S.C. §§ 8101-8106.

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41. HOLD HARMLESS

The SUBRECIPIENT shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the Government of Puerto Rico, PRDOH, HUD 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.

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42. 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.

43. 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.

44. 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.

45. 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. § 200.302 and 2 C.F.R. § 200.303 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.

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The SUBRECIPIENT shall administer its program in conformance with Cost Principles as outlined in 2 C.F.R. § 200.400 through 2 C.F.R. § 200.476, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

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46. DOCUMENTATION AND RECORDKEEPING

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;
- 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.

47. ACCESS TO RECORDS

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

48. 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. § 200.334 and 24 C.F.R. § 570.490(d).)

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Records shall be made available to PRDOH upon request.

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49. 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. § 200.1, and other information HUD or the PRDOH designates as sensitive or the SUBRECIPIENT considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. Additionally, the SUBRECIPIENT must comply with the *PRDOH CDBG-DR Personally Identifiable Information, Confidentiality, and Nondisclosure Policy*, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/personally-identifiable-information-confidentiality-and-nondisclosure-policy/>), which is herein included and made integral part of this Agreement, as it may be updated from time to time

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 (States).

50. CLOSE-OUT

The SUBRECIPIENT's 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)(19) of the HUD Notice 83 FR 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).

51. 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.

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52. SINGLE AUDIT

The SUBRECIPIENT must be audited as required by 2 C.F.R. Part 200, Subpart F, when the SUBRECIPIENT's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 C.F.R. § 200.501 (Audit requirements). Once said threshold is reached or exceeded, the SUBRECIPIENT shall notify the PRDOH and shall report that event in the corresponding monthly progress report, as provided in Part VI - Performance, Monitoring, and Reporting, Subpart B (Reporting) of this Agreement.

The SUBRECIPIENT shall procure or otherwise arrange for the audit to be conducted for that year, as required in 2 C.F.R. § 200.501(a)-(b); moreover, that it is properly performed and submitted when due in accordance with provisions that include but are not limited to those set forth in 2 C.F.R. § 200.512 (Report submission), as stated in 2 C.F.R. § 200.508(a) (Auditee responsibilities).

Among other relevant provisions, the SUBRECIPIENT shall comply with: (a) the Electronic submission of data and reports to the Federal Audit Clearinghouse (**FAC**) (2 C.F.R. § 200.512(d)) and; (b) ensuring that reports do not include protected personally identifiable information as set forth in 2 C.F.R. § 200.512(a)(2)).

53. 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.

54. 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.

55. PROCUREMENT AND CONTRACTOR OVERSIGHT

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

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

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

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

The SUBRECIPIENT shall maintain oversight of all activities under this Agreement and shall ensure that for any procured contract or Agreement, as applicable, its

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

56. 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, 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.

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

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

57. 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. §§ 4151-4156, 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 description of "facilities" in 41 C.F.R. § 102-76.60 are subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 C.F.R. Part 40 for residential structures, and 41 C.F.R. Subt. C, Ch. 102, for general type buildings).

The Americans With Disabilities Act of 1990 ("ADA"), 42 U.S.C. § 12101 et seq. (**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.

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58. 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, 42 U.S.C. § 2000d *et seq.*, 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 or she 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 2 C.F.R. 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.

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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.

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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 (6) 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, 15 U.S.C. § 632 (a), 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.

In compliance with the CDBG-DR Minority and Women-Owned Business Enterprise Policy (**M/WBE Policy**), the SUBRECIPIENT shall complete a utilization plan to identify how they plan on successfully achieving the contracting goals for MBE and WBE's. SUBRECIPIENT shall also complete quarterly reporting to provide information on contracting opportunities and payouts provided to WBE or MBE contractors or subcontractors. SUBRECIPIENT shall also document their efforts and submit those to PRDOH on a quarterly basis. See the M/WBE Policy, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) which is herein included and made integral part of this Agreement, as it may be updated from time to time.

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.

59. LABOR STANDARDS

The SUBRECIPIENT shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, 42 U.S.C. § 5310, 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, 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 eight (8) units.

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The SUBRECIPIENT agrees to comply with 18 U.S.C. § 874 and implement 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.

60. CONDUCT

1) Contracts

- a. Monitoring: As applicable, the SUBRECIPIENT will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
- b. Content: The SUBRECIPIENT shall cause all of the provisions of this contract in its entirety to be included in and made a part of any contract executed in the performance of this Agreement, as applicable.
- c. Selection Process: The SUBRECIPIENT shall ensure that all contracts awarded after the execution of this Agreement and in the performance of such, follow the procurement policies and procedures described in paragraph 55 (Procurement and Contractor Oversight) of this Exhibit.
- d. Notification: The SUBRECIPIENT shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR funds to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution. Additionally, the SUBRECIPIENT shall provide a copy of any and all subcontracts executed by its Contractors to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution.

2) 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 contract. (2) No public servant of the PRDOH has solicited or accepted, directly or indirectly, for him (her), for any member of his (her) family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing 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 his employment. (4) No public servant of the PRDOH has solicited, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his (her) obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the PRDOH

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has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement.

61. CITIZEN GRIEVANCES

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

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62. TECHNICAL ASSISTANCE AND TRAININGS

The SUBRECIPIENT shall attend any and all technical assistance and/or trainings that the PRDOH requires from time to time at its discretion. Failure to attend may be considered as cause for termination.

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63. DISASTER RELIEF ACCOUNT

Pursuant to Federal Register Vol. 85, No. 17, 85 FR 4681 (January 27, 2020), PRDOH must comply with an additional requirement imposed by an Order of October 26, 2017, granted by the United States District Court for the District of Puerto Rico, as may be amended from time to time. As required by the Order, grant funds or disaster relief funds received by the Commonwealth of Puerto Rico or other Non-Federal Entities (as defined by 2 C.F.R. §200.69) shall be deposited solely into a Disaster Relief Account.

As a result thereof, under the terms of the before mentioned Court order and under the conditions of this Agreement, any and all CDBG-DR/MIT funds subawarded by PRDOH to its SUBRECIPIENTS shall be deposited into a new, separate, non-co-mingled, unencumbered account held in the name of the SUBRECIPIENT. The funds shall be used solely for eligible activities. Further, the SUBRECIPIENT shall provide and make available to PRDOH any and all documentation related to such account.

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

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

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

65. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (OSH ACT)

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The SUBRECIPIENT shall comply with the Occupational Safety and Health Act of 1970 (OSH Act) as supplemented by the Department of Labor regulations. This Act created the Occupational Safety and Health Administration (OSHA). OSHA sets and enforces protective standards of safety and health in the workplace. Under the OSH Act, employers have a responsibility to provide a safe workplace.

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Employers must comply with the 29 CFR 1910 General Obligations Clause of the OSH Act. This clause requires employers to maintain their workplaces free from serious recognized hazards. This includes the adoption of safety and health guidelines and the subsequent training of the employer's workforce in these.

Subrecipient whose Scope of Work includes construction activities must comply with the General Clauses, and also with provisions of 29 CFR 1926 "Construction Health and Safety Regulations". It shall be a condition of any contract for construction, alteration and/or repair, including painting and decorating, that no contractor or subcontractor for any part of the contract work shall require any worker or mechanic employed in the performance of the contract to work in an environment or in unhealthy, hazardous or dangerous working conditions to their health or safety.

END OF DOCUMENT



EXHIBIT H

SUBROGATION AND ASSIGNMENT PROVISIONS

RE-GROW PUERTO RICO URBAN RURAL AGRICULTURE PROGRAM AND SMALL BUSINESS FINANCING PROGRAM UNIVERSIDAD INTERAMERICANA DE PUERTO RICO

1. General Provisions.

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

2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing – Regrow Puerto Rico Urban Rural Agriculture Program and Small Business Financing Program.

- a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate Subrecipient's application for the award of disaster assistance funds (the "**Application**") or the Subrecipient's receipt of CDBG-DR disaster recovery funds (the "**Grant Proceeds**") under the Program being administered by PRDOH.
- b) Subrecipient understands and acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207 (the "**Act**") and that, under such Act, the Subrecipient may only receive assistance to the extent that the Subrecipient has a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Subrecipient further acknowledges that these provisions are intended to ensure that Subrecipient does not receive duplicate benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that, any assistance determined to be duplicative must be deducted from the Program's calculation of the Subrecipient's total need prior to awarding assistance.

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- c) Subrecipient hereby subrogates and assigns to PRDOH any and all of Subrecipient's future rights to, and any interest Subrecipient may have in, any reimbursement and all payments received or subsequently received from any grant, loan, insurance policy or policies of any type (each individually, a "**Policy**" and collectively, the "**Policies**"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("**FEMA**"), insurance payments, or any other federal, state or local government agency (each, individually, a "**Disaster Program**" and collectively, the "**Disaster Programs**") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or its designated agent, to be a duplication of benefits ("**DOB**"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "**Proceeds**"; any Proceeds that are determined to be a DOB shall be referred to herein as "**DOB Proceeds**".
- d) Subrecipient agrees that, in the event that Subrecipient receives additional Proceeds related to disaster recovery that are not listed on the Duplication of Benefits Certification submitted in connection with the Application, Subrecipient will notify the PRDOH within **ten (10) working days** of receipt of the funds by sending a written notification to EcoRecCDBG@vivienda.pr.gov. PRDOH will, in turn determine, in its sole discretion, if such Proceeds constitute DOB Proceeds. If any of the Proceeds are determined to be DOB Proceeds, the Subrecipient shall pay PRDOH the DOB Proceeds, to be disbursed as provided in Section 3 of this Agreement.

3. Cooperation and Further Documentation.

- a) If PRDOH elects to pursue any of the claims Subrecipient has or may have under any Policies, Subrecipient agrees to assist and cooperate with PRDOH. Subrecipient's assistance and cooperation shall include, but shall not be limited to, allowing suit to be brought in Subrecipient's name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial, and any other form of assistance and cooperation reasonably requested by the PRDOH. Subrecipient also agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Subrecipient would be entitled to under any applicable Disaster Assistance Program.
- b) If requested by PRDOH, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and

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better subrogate and assign to PRDOH (to the extent of the Grant Proceeds paid to Subrecipient under the Program) the Policies, any amounts received under the Disaster Assistance Programs that are determined to be DOB Proceeds and/or any rights thereunder. Subrecipient further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.

- c) Subrecipient expressly allows and authorizes PRDOH to request information from any company with which Subrecipient holds or held any insurance policy or policies of any type, any other company or entity -public or private- from which the Subrecipient has applied for or is receiving assistance (such as FEMA, or others), or any non-public or confidential information determined by PRDOH, in its sole discretion, to be reasonably necessary to monitor/enforce its interest in the rights subrogated and assigned to it under this Agreement, and grant consent to such company or entity to release said information to the PRDOH.

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4. Agreement to Turn Over Proceeds; Future Reassignment.

- a) If Subrecipient (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to PRDOH, if Subrecipient received Grant Proceeds under the Program in an amount greater than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient's award.
- b) In the event that Subrecipient receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("**Subsequent Proceeds**"), Subrecipient shall pay such Subsequent Proceeds directly to the PRDOH, and PRDOH will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("**Subsequent DOB Proceeds**"). Subsequent Proceeds shall be disbursed as follows:
- (i) If Subrecipient has received full payment of the Grant Proceeds, Subrecipient shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH shall return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
- (ii) If Subrecipient has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Subrecipient by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Subrecipient.

- (iii) If Subrecipient has received a portion of the Grant Proceeds, the following shall occur: (A) PRDOH shall reduce the remaining payments of the Grant Proceeds and return Subsequent DOB Proceeds in such amount to the Subrecipient; and (B) Subrecipient shall remit any remaining Subsequent DOB Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
- (iv) If the PRDOH makes the determination that Subrecipient does not qualify to participate in the Program or Subrecipient decides not to participate in the Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.
- c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH pursuant to these provisions.

5. Miscellaneous.

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

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- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement is punishable under State and Federal law (18 U.S.C. 287, 1001 and 31 U.S.C. 3729), and shall constitute a separate criminal offense each time a public benefit is fraudulently received.
- h) Subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DR funds under the Program or any other of the PRDOH's Programs.

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ATTACHMENT VIII

EXHIBIT J

NON-CONFLICT OF INTEREST CERTIFICATION

RE-GROW PUERTO RICO URBAN RURAL AGRICULTURE PROGRAM AND SMALL BUSINESS FINANCING PROGRAM

UNIVERSIDAD INTERAMERICANA DE PUERTO RICO INC.

The SUBRECIPIENT certifies that:

1. No public servant of this executive agency has a pecuniary interest in this contract, subrecipient agreement, purchase, or commercial transaction.
2. No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value.
3. No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment.
4. No public servant has requested from me, directly or indirectly, for him (her), for any member of his or her family unit, or for any other person, business, or entity, something of economic value, including gifts, loans, promises, favors or services in exchange for the performance of said public servant is influenced in my favor or of my entity.
5. I have no kinship relationship, within the fourth degree of consanguinity and second by affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.

"I hereby certify under penalty of perjury that the foregoing is complete, true, and correct."

Signature

3/02/23

Date

Dr. Rafael Ramírez Rivera

Printed Name

Acting President

Position













PR SBTDC_SRA Amendment B

Final Audit Report

2023-03-17

Created:	2023-03-17
By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
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-  Document created by Radames Comas Segarra (rcomas@vivienda.pr.gov)
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-  Signer w.rodriguez@vivienda.pr.gov entered name at signing as William O. Rodríguez Rodríguez
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