



COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)  
CITY REVITALIZATION PROGRAM (CRP)

**AMENDMENT C TO THE SUBRECIPIENT AGREEMENT**  
**BETWEEN THE**  
**PUERTO RICO DEPARTMENT OF HOUSING**  
**AND THE**  
**MUNICIPALITY OF HATILLO**  
Contract No. 2021-DR0057  
Amendment No. 2021-DR0057C



This **AMENDMENT C TO THE SUBRECIPIENT AGREEMENT ("AMENDMENT C")** is entered into this 19 day of April, 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 LPRR § 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 **Municipality of Hatillo ("Subrecipient")**, a local government legal entity, with principal offices at Hatillo, Puerto Rico, represented herein by its Mayor, Hon. Carlos E. Román Román, of legal age, single, and resident of Hatillo, Puerto Rico; collectively the "**Parties**".

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on November 23, 2020, the Parties executed a Subrecipient Agreement, registered as Contract Number **2021-DR0057 ("Agreement")**, for the amount of **ONE MILLION THREE HUNDRED TWENTY-THREE THOUSAND FIVE HUNDRED NINETY-THREE DOLLARS AND FIFTY-FIVE CENTS (\$1,323,593.55)** for the Subrecipient to undertake its activities under the **City Revitalization Program ("CRP" or "Program")**. The Parties agreed on a performance period of **thirty-six (36) months** from the day of the execution of the Agreement, ending on **November 23, 2023**.

**WHEREAS**, on August 31, 2021, the Parties executed **Amendment A**, Contract Number **2021-DR0057A ("Amendment A")**. Amendment A served the purpose of modifying certain terms and conditions of the Agreement as well as amending **Exhibit A** (Scope of Work), **Exhibit B** (Timelines 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), **Exhibit G** (Special Conditions), and adding a new **Exhibit H** (Subrogation and Assignment Provisions). Through Amendment A, the total authorized budget allocated to the Agreement was increased to **TEN MILLION NINETY-TWO THOUSAND FOUR HUNDRED DOLLARS AND EIGHTY CENTS (\$10,092,400.80)**.

**WHEREAS**, on November 30, 2022, the PRDOH and the Subrecipient executed **Amendment B**, Contract Number **2021-DR0057B ("Amendment B")**. The Amendment B attended modifications to the **General Award Information** table in **Section I** of the Agreement and changes to **Section V. EFFECTIVE DATE AND TERM** to extend the END TERM of the Agreement to **December 31<sup>st</sup>, 2025**. Moreover, updated versions of **Exhibit C** (Key Personnel), **Exhibit F** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements), and **Exhibit H** (Subrogation and Assignment Provisions) were incorporated by reference into the Agreement. Also, a new **Exhibit I** (Non-Conflict of Interest Certification) was incorporated by reference into the Agreement. Furthermore, 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 were incorporated to address the introduction of the aforementioned new exhibit into the Agreement. All other provisions of the original Agreement, including the total budget amount, remained unaltered.

**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 C** 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 C**.

**WHEREAS**, the Subrecipient has the legal power and authority to enter into this **AMENDMENT C** with the PRDOH, in accordance with Article 1.008(q) of Act No. 107 of August 14, 2020, also known as the "Puerto Rico Municipal Code", 21 L.P.R.A. § 7013(q); and by signing this **AMENDMENT C**, 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 C** subject to the following:

## **II. TERMS AND CONDITIONS**

### **A. SAVINGS CLAUSE**

The information included in this **AMENDMENT C** 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 C**. All other provisions of the original Agreement, including its exhibits, shall continue to be in full force and effect.

### **B. SCOPE OF THE AMENDMENT**

This **AMENDMENT C** principally entails modifications to the **Exhibit C** (Key Personnel) and **Exhibit D** (Budget) of the Agreement. A new Staff Position, identified as Procurement Specialist, is being added to the Subrecipient Self-Performed Services column of the **Exhibit C** (Key Personnel). While, a new budget item, identified as "Publications", is being added to the **Exhibit D** (Budget). Via budget redistribution, thirty-five thousand five hundred ninety-seven dollars and sixteen cents (**\$35,597.16**) were reallocated to cover the budget costs associated to the new Procurement Specialist position, as shown in the amended **Exhibit C** (Key Personnel); and ten thousand dollars (**\$10,000.00**) were reallocated to cover the costs associated with the new Publications budget item, as shown in the amended **Exhibit D** (Budget). A redistribution of funds among the Maximum Authorized Budgets detailed in the **Exhibit D** (Budget) was performed to accommodate these modifications. Notwithstanding the aforementioned budget redistribution, the Total Authorized Budget of the Agreement remains unchanged (**\$10,092,400.80**).

Moreover, modifications to **Section XIII. FORCE MAJEURE** of the Agreement are being incorporated via this **AMENDMENT C** and a new **Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** is being added to the Agreement.

Amended versions of **Exhibit C** (Key Personnel) and **Exhibit D** (Budget) are being incorporated by reference to the Agreement as well. As stated before, all other provisions of the original Agreement, including the total BUDGET amount, remain unaltered.

### C. AMENDMENTS

- a. 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.*

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

*It is acceptable for grantees to execute non-legally binding agreements prior to completion of the environmental review process. A non-legally binding agreement contains stipulations that ensure the project participant 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 Subrecipient 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.*

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- c. **Exhibit C** (Key Personnel) of the Agreement is being replaced by an amended version of the **Exhibit C** (Key Personnel) hereto incorporated by reference into the Agreement (See **Attachment I**).
- d. **Exhibit D** (Budget) of the Agreement is being replaced by an amended version of the **Exhibit D** (Budget) hereto incorporated by reference into the Agreement (See **Attachment II**).

### III. SEVERABILITY

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

### IV. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this **AMENDMENT C** 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 C**.

### V. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this **AMENDMENT C** to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this **AMENDMENT C** and any subsequent amendment thereto. The services object of this **AMENDMENT C** may not be invoiced or paid until this **AMENDMENT C** 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 C** conditioned to the submission by the Subrecipient of the required insurance policies within **thirty (30)** calendar days of the signing of this **AMENDMENT C**. **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]

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

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

By: William O. Rodríguez Rodríguez  
William O. Rodríguez Rodríguez (Apr 19, 2023 14:08 EDT)  
Name: William O. Rodríguez Rodríguez  
Title: Secretary

**MUNICIPALITY OF HATILLO**  
**Subrecipient**

By: Carlos E. Román Román  
Carlos E. Román Román (Apr 18, 2023 12:00 EDT)  
Name: Carlos E. Román Román  
Title: Mayor



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**EXHIBIT C**  
**KEY PERSONNEL**  
**CITY REVITALIZATION PROGRAM**  
**MUNICIPALITY OF HATILLO**

The following table shows the Key Personnel staffing plan for the Subrecipient that will be participating of the City Revitalization Program (**Program**) as part of the Community Development Block Grant – Disaster Recovery (**CDBG-DR**) Program. This information reflects a combination existing employees or new hired employees that will be participating on the Program.

I. Staff positions and maximum budget

[A] Name of Staff Position (Subrecipient Self-Performed Services)	[B] Staff Position Maximum Budget
Manager	\$130,798.00
Coordinator	\$24,000.00
Financial Manager	\$39,600.00
Financial Assistance	\$39,600.00
Compliance Manager	\$24,200.00
Outreach and Community Coordinator	\$18,845.00
Administrative Assistant	\$34,244.00
Procurement Specialist	\$35,597.16

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II. Staff positions Roles Description:

Name of Position	Role Description
Manager	Subrecipient's key staff leading the staff and managing CDBG-DR Program activities including communications, meetings, documentation, compliance, procurements, contracting, project development, invoicing, and reporting.
Coordinator	Subrecipient's key staff providing support to coordinate CDBG-DR Program activities including communications, meetings, documentation, compliance, procurements, contracting, project development, invoicing, and reporting.
Financial Manager	Subrecipient's key staff leading CDBG-DR Program financial related activities including policies, procedures, controls, payroll, budget management, invoicing, accounting, and reporting.
Financial Assistant	Subrecipient's key staff providing assistance regarding CDBG-DR Program financial related activities including policies, procedures, controls, payroll, budget management, invoicing, accounting, and reporting.
Compliance Manager	Subrecipient's key staff managing all CDBG-DR Program compliance related activities including policies, procedures, training, monitoring, and reporting.
Outreach and Community Coordinator	Subrecipient's key staff coordinating and supporting to CDBG-DR Program activities regarding outreach and communications with community.
Administrative Assistant	Subrecipient's key staff aiding and supporting in CDBG-DR Program administrative activities including communications, meetings, documentation, compliance, procurements, contracting, project development, invoicing, and reporting.
Procurement Specialist	Subrecipient's Key Staff managing in CDBG-DR Program related activities including preparation, implementation and execution of procurement processes, gather quotes, proposals, and purchase terms and conditions.

III. Notes:

- Staff positions names, in column [A], are generic names assumed to designate roles to Subrecipient's staff, therefore these positions names may not necessarily coincide to current positions within Subrecipient's roster of employees.
- Subrecipient will request authorization before any staff performs any work for the CDBG-DR Program, the request shall be completed submitting a standard form provided by PRDOH. Failure to obtain staff authorization from PRDOH, will result in payroll payment deduction for each unauthorized staff.
- Subrecipient may use one (1) or more of its employees for each of the approved staff positions, therefore the maximum budget shall consider the summary of payroll costs for employees authorized for the position.
- Subrecipient may recruit new employees to fill-in staff positions included in column [A] that are not occupied at the start date of this agreement.
- Subrecipient shall require to each staff position daily time entry reports with a description of work performed during the report period.
- Staff Position Maximum Budget, shown in column [B], represents total budget authorized for Subrecipient's personnel working as a staff position for the CDBG-DR Program.
- The Staff Position Maximum Budget shall be considered as the total authorized budget for the term of the SRA for each Subrecipient's staff position.
- After this SRA is executed, the Subrecipient may request in writing an amendment to modify the distribution of budgeted amounts for any of the positions.
- The total authorized available budget for all Subrecipient's staff positions will be established in Budget Exhibit of this SRA. The specific amount will be indicated in item described as "Subrecipient Self-Performed Services" of Budget Exhibit.

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**EXHIBIT D**  
**BUDGET**  
**CITY REVITALIZATION PROGRAM**  
**MUNICIPALITY OF HATILLO**

**1. Total Allocation and Authorized Budget**

- a) The Puerto Rico Department of Housing (PRDOH) designated to the Subrecipient a total allocation amount of **\$10,092,400.80** for the City Revitalization Program.
- b) The maximum authorized budget for the Subrecipient Self-Performed Services shall be according to the total staff position maximum budget established in **Exhibit C** – Key Personnel.

**2. Distribution of Authorized Maximum Budget**

- a) The maximum budget amount shall be distributed in the following six (6) items:

Item Id	Item Name:	Maximum Authorized Budget
1	Subrecipient Self-Performed Services	\$346,884.16
2	Professional Services (Contracted)	\$300,000.00
3	Construction Services (Contracted)	\$9,435,516.64
4	Publications	\$10,000.00
5	Equipment	\$0.00
6	Operational Costs	\$0.00

**Total Authorized Budget: \$10,092,400.80**

**3. 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.

**END OF DOCUMENT**













# CRP-HATILLO-AMENDMENT C

Final Audit Report

2023-04-19

Created:	2023-04-18
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-  Signer alcalde@municipiodehatillo.com entered name at signing as Carlos E. Román Román  
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-  Document e-signed by Carlos E. Román Román (alcalde@municipiodehatillo.com)  
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-  Signer w.rodriquez@vivienda.pr.gov entered name at signing as William O. Rodríguez Rodríguez  
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