

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)  
SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

AMENDMENT A to the  
SUBRECIPIENT AGREEMENT  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND  
UNIVERSIDAD DE PUERTO RICO EN HUMACAO



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This **AMENDMENT A TO THE SUBRECIPIENT AGREEMENT** (hereinafter, the "**AMENDMENT A**") is entered into this 2<sup>nd</sup> day of November, 2021, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "**PRDOH**"), a public agency of the Government of Puerto Rico created under Act No. 97 of June 10, 1972, as amended, 3 L.P.R.A. § 441 *et seq.*, known as the "Department of Housing Organic Act" (the "**Organic Act**"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, Esq., of legal age, attorney, single, and resident of San Juan, Puerto Rico; and **UNIVERSIDAD DE PUERTO RICO EN HUMACAO** (the "**Subrecipient**"), a public institution of higher education (University), with principal offices at José E. Aguiar Aramburu Ave., Road 908, Km. 1.2, Humacao, Puerto Rico, represented herein by its Chancellor, Aida I. Rodríguez Roig, of legal age, married, and resident of San Lorenzo, Puerto Rico, collectively the "Parties".

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on May 14, 2021, the Puerto Rico Department of Housing (**PRDOH**) and the Universidad de Puerto Rico at Humacao (**Subrecipient**) entered into a Subrecipient Agreement (**SRA**) for the Small Business Incubator and Accelerator (**SBIA**) (hereinafter, "the **Program**"), for a period of thirty-six (36) months from the day of its execution, ending in May 13, 2024 for two million four hundred forty-two thousand two hundred seven and ten cents (**\$2,442,207.10**), registered as Contract Number 2021-DR0210 (hereinafter, "the Agreement"). Through the Program the PRDOH intends to support and grow Puerto Rican small businesses by providing them with technical assistance to help grow their business skills and professional network through the structure of an Incubator or Accelerator;

**WHEREAS**, the Subrecipient will assist the PRDOH in utilizing CDBG-DR funds to carry out the Program, pursuant to this Agreement;

**WHEREAS**, as per Section IX 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**, it is the intention of the parties to modify and amend certain terms of the AGREEMENT, specifically in the Exhibits C, Exhibit D and Exhibit F, segregate various staffing roles into two separate line items to distinguish the positions from the regular and summer semester with their respective hourly rates, and includes Staffing Section. The term of the AGREEMENT nor the Total Authorized budget included in the AGREEMENT shall not be changed. (**See Attachment I of this Amendment A**).

**WHEREAS**, this AMENDMENT A is not intended to affect, nor does it constitute an extinctive novation of the obligations of the parties under the AGREEMENT but it is rather a

modification and amendment of certain terms of the AGREEMENT, specifically Exhibit C, Exhibit D and Exhibit F, attached to the aforementioned Agreement;

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

## TERMS AND CONDITIONS

### II. SAVINGS CLAUSES

The information included in this AMENDMENT A serves the purpose of modifying and amending certain terms and conditions under the AGREEMENT, including any modified Exhibits. All provisions of the original AGREEMENT shall continue to be in full force and effect, as amended by this AMENDMENT A. The term of the AGREEMENT nor the Total Authorized budget included in the AGREEMENT shall not be changed.

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### III. ATTACHMENT

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

### IV. SCOPE OF AMENDMENT

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

### V. AMENDMENTS

- A. The parties intend to amend and replace the **Exhibit C, Exhibit D and Exhibit F**, of the AGREEMENT, to include the Staff addition into Exhibit C – (Key Personnel), a redistribution of funds, as shown in Exhibit D – (Budget) and a modified Exhibit F (HUD General Provisions). **(See Attachment II, Attachment III, and Attachment IV of this Amendment A).**

### VI. SEVERABILITY

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

### VII. SECTION HEADINGS AND SUBHEADINGS

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

### VIII. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this AMENDMENT A to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this AMENDMENT A and any subsequent amendment hereto. The services object of this AMENDMENT A may not be invoiced or paid until this AMENDMENT A has been registered by the PRDOH at

the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

#### IX. ENTIRE AGREEMENT

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

#### X. 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.

#### XI. COMPLIANCE WITH LAW

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

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

#### PUERTO RICO DEPARTMENT OF HOUSING

By: William O. Rodríguez Rodríguez  
William O. Rodríguez Rodríguez (Nov 2, 2021 14:34 EDT)  
Name: William O. Rodríguez Rodríguez, Esq.  
Title: Secretary

#### SUBRECIPIENT

By: Aida I. Rodríguez Roig  
Name: Aida I. Rodríguez Roig  
Title: Chancellor

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GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

# Attachment I

## Memorandum

To: Maytte Texidor López, Esq.  
Acting Deputy Director  
CDBG-DR Program

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

**VISTO BUENO**

Lcdo. William O. Rodríguez Rodríguez  
Secretario

Re: Subrecipient Agreement Request for Budget Amendment

Date: October 13, 2021

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### Overview:

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On May 14, 2021, the Puerto Rico Department of Housing (PRDOH) and Universidad de Puerto Rico at Humacao (the Subrecipient) entered into a subrecipient agreement (SRA) for the Small Business Incubator and Accelerator (SBIA) Program for a period of thirty-six (36) months from the day of its execution, for two million four hundred forty-two thousand two hundred seven dollars and ten cents (**\$2,442,207.10**) registered as Contract Number 2021-DR0210.

After detailed review, the Subrecipient determined that it needed to segregate various staffing roles into two separate line items to distinguish the positions from the regular and summer semesters with their respective hourly rates. In addition, it needed to include Financial Oversight in their Staffing Section to comply with the rules and regulations of the institution as well as with government regulations and laws. Furthermore, the Subrecipient included two line items. One, for Rental in the Other Operating Section for the rent of the facilities to be used for the conferences provided to participants of the Program and the other, for Workshop Equipment included in the Equipment Section for the participants' use in the program workshops. By implementing those changes, the difference has been redistributed within the previous approved line items without exceeding the awarded amount.

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

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

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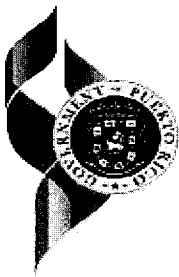


EXHIBIT C

KEY PERSONNEL

SMALL BUSINESS INCUBATORS AND ACCELERATORS

UNIVERSIDAD DE PUERTO RICO EN HUMACAO

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Below is the Staffing Plan for the CDBG-DR **Small Business Incubators and Accelerators** Program which reflects a combination of existing employees or new hired employees dedicated for the CDBG-DR **Small Business Incubators and Accelerators** Program.

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I.

Roles	FE Count
Project Director – Additional Compensation	1
Project Director – Summer Salary	1
CO PD Compensation	1
CO PD Summer Salary	1
Financial Oversight	1
Faculty Senior Academic Release Time	1
Faculty Senior-Summer Salary	1
Liaison Officer and Promoter	1
Administrative Assistant- Additional Compensation	1
Statistics Assistant-Additional Compensation	1
Graphic Designer	1
Translator	1
Lecturers	1
Lecturers	1

II. Roles Description:

Role	Description
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<b>Project Director – Additional Compensation</b>	Responsible for the compliance of the administration, development plans and strategic of the proposal. Directs and supervises the proposal, as well as all personnel assigned to the proposal. Generates, completes and submits the reports required by the Department of Housing and Urban Development, Administration of the CDBG-DR and UPR grant in Humacao.
<b>Project Director – Summer Salary</b>	During the summer, the PD will be in charge for the management and responsibilities of all special programs for entrepreneurs during summertime, the induction of all participants in the incubation stage and assure their compliance of all processes and procedures. Also, the PD will collaborate in the preparation of relevant documentation to assigned projects. Will recommend the most qualified human resources to provide the seminars and workshops and approaches them for recruitment. Collaborates in the development of reports and presentations.
<b>CO PD Compensation</b>	Coordinates, schedules and implements highly specialized and highly complex administrative activities of the proposal in order to achieve the desirable results. Develops the constant search for business opportunities and funds. Supervises the activities carried out by professionals with administrative tasks. Program and supervise census activities, technical and/or scientific studies. Develop proposals and recommendations. Develop the work plans and determine the assignment of tasks to the rest of the staff assigned to the proposal. Develops the design of manuals and/or documentation relevant to the assigned projects.
<b>CO PD Summer Salary</b>	Schedules and supervises program's activities, technical and/or scientific studies. Prepares reports, proposals and recommendations, and develops work plans, determining the assignment of tasks to the personnel assigned to the proposal. Carries out the tasks of organization, control and evaluation entrusted by the Director of the Proposal.
<b>Financial Oversight</b>	Coordinates the financial side and compliance with the rules and regulations of the Institution. Also, makes sure that all activities comply with the proposal, according to the assigned resources and compliance with government regulations, laws, and regulations ensured by the Financial Administration and Federal Funds Accountability Act (FFATA). Directs and coordinates financial and budgetary activities including the preparation of the operating budget; and monitors its implementation. Assures that all equipment and materials acquisitions are justified, assures the inclusion of minority suppliers, according to the budget assignment and state and federal regulations.

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<b>Faculty Senior Academic Release Time</b>	Coordinates the financial side and compliance with the rules and regulations of the Institution. Coordinate training programs for future entrepreneurs and business owners, as well as recommend and justify the selection of equipment and material to be used. Carry out methodological, academic, global and conceptual design administration of the systems and/or projects of face-to-face, hybrid and distance education.
<b>Faculty Senior-Summer Salary</b>	Coordinates and designs the systems, methods, standards and academic procedures to be implemented as part of the proposal, as well as the training programs of future entrepreneurs and business owners. Prepares the design of the manuals and/or documentation relevant to the assigned projects. Recommends and justifies the selection of equipment and materials to be used. Performs the methodological, academic, global and conceptual design of face-to-face, hybrid and distance education systems and/or projects.
<b>Liaison Officer and Promoter</b>	Offer the products within the services of the proposal and distribute catalogs and advertising material. Direct search for potential entrepreneurs exposing promotions, and information about the products of the Business Development Center ( <b>CeDE</b> ). Verify the exposure of the proposal in the market and audits the marketing actions observing the return of the Investment. Evaluate competition actions in products or services of incubated companies. Collaborate with promotional actions. Analyze the possibilities to increase the share of the proposal and brand of incubated companies.
<b>Administrative Assistant- Additional Compensation</b>	Ensure that the academic and operational resources that assist future entrepreneurs and entrepreneurs have what is necessary during their incubator process. Prepare in the English language various reports related to the program. Keeps the websites and social networks of the proposal up to date in the English language. Serves, guides and assists future entrepreneurs and entrepreneurs in the processing of different forms and/or documents necessary for their participation in the proposal. Prepare, draft and process certifications, letters of recommendations, administrative documents among others.
<b>Statistics Assistant- Additional Compensation</b>	Manage the measuring instruments. Develop results analysis using software specialized in statistics and produce summaries of the results obtained. Assist with the preparation and updating of research protocols. Manage and maintain database using statistical packages such as SPSS and some up-to-date and accessible MS Office applications. Collaborate in the development of reports and presentations. Responsible for making quality control

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	of questionnaires, informed consents, procedures with JPSHI, fieldwork and phone calls of the participants of the proposal or population under study.
Graphic Designer	Create visual concepts for advertising according to the guidelines and plans of the proposal. Develop visual advertising strategies according to the proposed business development. Design logos for entrepreneurs and digital marketing development. Design websites for entrepreneurs and digital marketing development. Develop infographics and all kinds of digital advertising. Design product packaging and wraps.
Translator	Translate texts of all kinds. Serve as a consecutive or simultaneous interpreter to future entrepreneurs or business owners in the face of events, meetings with government agencies or federal agencies in the search for business opportunities. Supervise and edit any document or advertising part of the proposal or in relation to future entrepreneurs or owners before being published. Investigate funding opportunities for entrepreneurs from federal agencies or organizations.
Lecturers	Responsible for the design and offering of training workshops, conferences and seminars according to the assigned topics and established modality. Likewise, they must develop assessment tools that make it possible to measure the participants' learning and development and provide a report of the results.
Lecturers	Responsible for the design and offering of training workshops, conferences and seminars to entrepreneurs according to the assigned topics and established modality. Likewise, they must develop assessment tools that make it possible to measure the participants' learning and development and provide a report of the results.

III. Notes:  
Professional Services

END OF DOCUMENT



## EXHIBIT D – SECTION 1

### BUDGET

#### SMALL BUSINESS INCUBATORS AND ACCELERATORS

#### UNIVERSITY OF PUERTO RICO EN HUMACAO

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#### DESCRIPTION SERVICES

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The Department of Business Administration (**DAE**) of the University of Puerto Rico in Humacao (**UPRH**) and its Business Development Center (hereinafter **CeDE**), an incubator/business accelerator, is presented for consideration to provide services and research to entrepreneurs, government agencies and members of disadvantaged communities with an interest in developing small or medium-sized enterprises, and providing an opportunity to:

1. Develop from the idea and opportunity to the establishment and operation of a small business, to about 500 entrepreneurs.
2. Maximize the use of the Lean Start-Up methodology to discover which products or services will succeed in the market.
3. Expand opportunities and access to programs of studies, Management, Human Resources, Accounting and International Trade, for the achievement of high quality intellectual, professional and cultural preparation to students and participants from 16 villages below the poverty level, in the Eastern Central Region (Humacao, Las Piedras, Caguas, Yabucoa, Juncos, San Lorenzo, Gurabo, Rio Grande, Luquillo, Naguabo, Fajardo, Maunabo, Patillas, Ceiba, Culebra and Vieques).
4. Impact communities identified in our program such as mother heads of households, battered women, school dropouts, and single parents with underage children, so they can put government dependence aside, and enter the world of work through economic self-reliance.
5. To promote creative management aimed at increasing, through new strategies and actions, educational offers in a variety of teaching methodologies. Inverted Classroom, a pedagogical model in which the traditional elements of the lesson taught by the teacher are reversed: primary educational materials are studied by students remotely and then worked in the classroom. Also, Project Based Learning (**ABP**) that allows students to acquire

- key knowledge and competencies through the development of projects that respond to real-life problems (business project).
- 6. Strengthen the quality of ventures at their earliest stage, providing participants with academic, technical, physical and economic advice to achieve the successful development of business opportunities.
  - 7. Favor and promote the birth of a new generation of young entrepreneurs and provide controlled conditions for the emergence and growth of a new company or entity.
  - 8. Support the creation of companies related to scientific or technological innovation that makes it possible to gestate a new product, service or process.
  - 9. Improve the performance of existing companies or become parallel projects.
  - 10. Offer mentoring, training and certification services for participants.
  - 11. Provide software and teaching materials for educational purposes, which facilitate the management and operational productivity of incubated companies.
  - 12. Provide materials, equipment, supplies and other materials necessary for participants.

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As a business development program focused on developing, envisioning, and evolving minority sectors in the island's southeastern region, the Center of Business Development (CeDE), the business incubator, will grant consultancy and technical assistance incubation or acceleration of small entrepreneurs.

The proposal's income is intended to serve and empower economically disadvantaged sectors to help the Commonwealth of Puerto Rico. In being able to meet unmet needs as a result of Hurricanes Irma and María. The proposal contemplates offering services to over 500 entrepreneurs in an incubation process that generates an entrepreneurial ecosystem.

The budget is assigned according to the goals and objectives of the proposal and focused on reach minority groups like women, low-income sectors, unemployed, students, among other individuals in the cities of Humacao, Yabucoa, Maunabo, Patillas, Las Piedras, Naguabo, Ceiba, Fajardo and San Lorenzo. The budget is assigned according to the regulations and purposes of the grant.

STAFFING

Position	Qty. of Resources [A]	Months Needed [B]	Max. Hours per month per Resource [C]	Hourly Rate [D]	Max. Monthly Cost [E=AxCxD]	Max. Total Cost [F=BxE]
Project Director-Additional Compensation	1	27	40.62	\$63.02	\$ 2,559.87	\$ 69,117.00
Project Director-Summer Salary	1	6	162.50	\$63.02	\$ 10,240.75	\$ 61,445.00
CO PD Compensation	1	27	162.50	\$54.64	\$ 8,879.00	\$ 239,733.00
CO PD Summer Salary	1	3	162.50	\$47.76	\$ 7,761.00	\$ 23,283.00
Financial Oversight	1	36	40.00	\$33.75	\$ 1,350.00	\$ 48,600.00

Faculty Senior Academic Release Time	1	27	40.62	\$49.01	\$ 1,990.79	\$ 53,752.00
Faculty Senior-Summer Salary	1	3	162.50	\$37.19	\$ 6,043.38	\$ 18,131.00
Liaison Officer and Promoter	1	36	80.00	\$33.43	\$ 2,674.40	\$ 96,279.00
Administrative Assistant-Additional Compensation	1	36	80.00	\$21.47	\$ 1,717.60	\$ 61,834.00
Statistics Assistant-Additional Compensation	1	36	40.00	\$14.50	\$ 580.00	\$ 20,880.00
Graphic Designer	1	36	120.00	\$19.91	\$ 2,389.20	\$ 86,012.00
Translator	1	36	40.00	\$25.03	\$ 1,001.20	\$ 36,044.00
Lecturers	1	36	3.75	\$109.05	\$ 408.94	\$ 14,722.00
Lecturers	1	36	13.75	\$81.79	\$ 1,124.61	\$ 40,487.00
Subtotal Maximum Monthly Cost:					\$ 48,720.73	
Total amount of staffing for the 3 Years (36 Months):					\$	870,319.00

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The staff in charge of the proposal's administration and operationalization includes eight (8) professionals from different specialties and experiences. The functions and responsibilities of each of the professionals seek to achieve the objectives outlined in the entrepreneurs' development and incubation proposal. These include positions for the program's administration, design of the training processes, marketing and brand design. Likewise, people in charge of the measurement and dissemination of the results are included. Lecturers include approximately fourteen (14) professionals who are responsible for the design and development of workshops, conferences, and seminars.

PROFESSIONAL SERVICES

Services Name	Services Description	Budget
Legal Services	Lawyers to address all legal aspects for the program.	\$ 75,000.00
Accounting Services	Accountant to address all aspect of accounting for the program.	\$ 75,000.00
Evaluations Services	Evaluator for the program to ensure to comply with all federal regulations.	\$ 45,000.00
Public Relations & Project Marketing	Services for the recruitment of participants and entrepreneurs for the program.	\$ 60,000.00
Total Budget for Services to be Contracted:		\$ 255,000.00

The team under professional services will support the elements subscribed in the proposal of training programs, workshops, talks, preparation of documents, work plans, inventories, service forms and reports. At the same time, they support entrepreneurs in their legal processes, registration, trademark management, accounting processes, among other elements, besides serving as financial and compliance evaluators, those who ensure the processes' effectiveness, efficiency, transparency, and integrity.

OTHER OPERATING

Item Name	Item Description	Budget
Workshop Supplies	Educational and printing materials for the program such as text books in eBook format, folders with educational content such as: compilation of government regulations, laws, manuals and flow charts, didactic manual of entrepreneurship and quality management in service, forms of information management, portable memory drive to store documents in PDF or to give to participants, notebooks, pencils , pens, course and training approval certifications, access to different subscriptions for entrepreneurs such as: DAFO, Business Plan, "De la idea al negocio", Mailchimp and Poster my Wall and, other educational materials directly related to the trainings.	\$ 125,844.10
Conference, Seminars & Trainings	Basic services for conferences, workshop and seminars directly related to the execution of the Program.	\$ 136,022.00
Rental	Cost incurred in rent of the facilities to be used for the conferences for the participants of the program.	\$ 12,000.00
Travel & Per Diem	Mileage expenses and per diem of employees who will participate in the Census and fieldwork. Travel expenses will be calculated according to the travel expense policy of the UPRH.	\$ 36,000.00
Mentoring, Education and Certification of Participants	Payments of resources that will offer mentoring, education, and certification for participants in: Entrepreneurship, Marketing, Human Talent Management, Government Compliance, Legal Advice, Accounting and Finance Advice, Leadership Administration, Corporate Social Responsibility, Exportations and Commercial Ethics and Technical Assistance related to the incubation or acceleration of small entrepreneurs for the program participants.	\$ 450,000.00
Indirect Cost	De Minimis Rate of 10% will be used to request incurred indirect cost as established in the CFR200.414 for the program.	\$ 219,437.00
Total Expenses Budget:		\$ 979,303.10

The other expenses, as defined, serve as support to the offers to each entrepreneur of the program. It includes all the didactic material, resources, entrepreneurs' tools access, support networks, and exposure to events and trainings by our program award. Indirect costs are requested to cover the facilities and administration costs.

EQUIPMENT

Item Name	Item Description	Budget
Computer Equipment	Computers, service provision tools, small business owner tools, copiers, fax machines, conference rooms and laboratories for the program. (All equipment is less than \$5K per unit.)	\$ 183,300.00
Software	Tools to help strengthen the decision making and the compliance with government agencies. (All software is less than \$5K per unit.)	\$ 137,885.00
Workshop Equipment	Plotter- for logos, stickers, and all kinds of promotional material for the Project and for the participants. Tri-dimensional printer- to develop ideas into prototypes. Full-color industrial photocopier - for promotions of the business of participants and development of project promotions. (Cost are over \$5K per unit.)	\$ 16,400.00
Sub Total Expenses Budget:		\$ 337,585.00

These funds are intended to strengthen the technological tools and the participants' didactic experience with the acquisition of equipment designed to facilitate their ventures' development processes. The equipment, rentals and solutions are to help the future entrepreneur and owners from the incubator and are necessary for the operations of the entrepreneurs and business owners. This item is necessary to help maintain a constant and direct relationship with their customers.

PROJECT ACTIVITY DELIVERY COSTS		
Staff	Salaries and benefits costs that are directly associated with implementing the Program.	\$ 870,319.00
Professional Services	Legal, Accounting, Evaluator and Advertising Services for the program.	\$ 255,000.00
Other Operating	Operational costs such as travel, workshop supplies, trainings, indirect cost, etc.	\$ 979,303.10
Equipment	Equipment necessary for participants to complete business Incubation/acceleration	\$ 337,585.00
TOTAL COSTS		\$ 2,442,207.10
GRAND TOTAL		\$ 2,442,207.10

PRDOH reserves the right to adjust funding levels for each grantee and the allocation of the funding amounts for each planning component. Once Applicants are selected for award, PRDOH will determine the total amount to be awarded to any subrecipient, based upon the scope of services to be provided, funds available, and other factors that PRDOH may determine.

**Budget Re-distribution**

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

**END OF DOCUMENT**



## EXHIBIT F

### HUD GENERAL PROVISIONS

#### SMALL BUSINESS INCUBATORS AND ACCELERATORS UNIVERSIDAD DE PUERTO RICO EN HUMACAO

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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 Subrecipient Agreement. In addition, SUBRECIPIENT shall comply with the Federal Labor Standards Provisions set forth in Form HUD-4010, available at <https://www.hudexchange.info/resource/2490/hud-form-4010-federal-labor-standards-provisions/>

The SUBRECIPIENT (also referred to as the "**Partner**") 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 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.

#### 5. ACCESS TO RECORDS

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

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#### 6. MAINTENANCE/RETENTION OF RECORDS

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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#### 7. 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.

#### 8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 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.



#### **9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

The SUBRECIPIENT will comply with the provisions of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives Federal funds or other Federal financial assistance. Programs that receive Federal funds cannot distinguish among individuals on the basis of race, color or national origin, either directly or indirectly, in the types, quantity, quality or timeliness of program services, aids or benefits that they provide or the manner in which they provide them. This prohibition applies to intentional discrimination as well as to procedures, criteria or methods of administration that appear neutral but have a discriminatory effect on individuals because of their race, color, or national origin. Policies and practices that have such an effect must be eliminated unless a recipient can show that they were necessary to achieve a legitimate nondiscriminatory objective.

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

The SUBRECIPIENT shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

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#### **11. SECTION 504 OF THE REHABILITATION ACT OF 1973**

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

The SUBRECIPIENT agrees that no qualified individual with a disability shall, solely on the basis of their disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance from HUD.

#### **12. AGE DISCRIMINATION ACT OF 1975**

The SUBRECIPIENT shall comply with the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), as amended, and any applicable regulations. No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to, discrimination under, any program or activity receiving Federal financial assistance.

#### **13. DEBARMENT, SUSPENSION, AND INELIGIBILITY**

The 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.

#### **14. 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.

#### 15. 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.

#### 16. 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.

#### 17. INDEMNIFICATION

The SUBRECIPIENT shall indemnify, defend, and hold harmless the Government of Puerto Rico and PRDOH, its agents and employees, from and against any and all claims, actions, suits, charges, and judgments arising from or related to the negligence or willful misconduct of the SUBRECIPIENT in the performance of the services called for in this SRA.

#### 18. 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 June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. § 874; and Title 40 U.S.C. § 276c). The 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.

#### 19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

**(Applicable to construction contracts exceeding \$2,000 and contracts exceeding \$2,500 that involve the employment of mechanics or laborers.)**

The SUBRECIPIENT shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. § 3702 and 3704) 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 Contract Work Hours and Safety Standards Act, 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.

**20. 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.

**21. 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.

**22. TERMINATION FOR CONVENIENCE**

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

The PRDOH may terminate this SRA at any time by giving **at least ten (10) days'** 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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**23. 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:

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- 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 Act, 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.

#### **24. 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. chapter 60).

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

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

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**25. 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.

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).

**26. 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. Part 15 and 32, as amended, Section 508 of the Clean Water Act (33 U.S.C. § 1368) and Executive Order 11738.

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

- 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 40 C.F.R. 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Part 15, as amended.
- 2) Agreement by the 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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## 27. 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 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 Section 1352, Title 31,

U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

## **28. BONDING REQUIREMENTS**

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

The SUBRECIPIENT shall comply with Puerto Rico bonding requirements, unless they have not been approved by HUD, in which case the SUBRECIPIENT shall comply with the following minimum bonding requirements:

- 1) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his or her bid, execute such contractual documents as may be required within the time specified.
- 2) A performance bond on the part of the 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.

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## **29. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968**

### **(As required by applicable thresholds)**

- 1) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- 2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- 3) The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- 4) The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3



clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 135. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

- 5) The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 135.
- 6) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- 7) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (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).
- 8) For contracts exceeding \$100,000, the SUBRECIPIENT shall submit Form HUD 60002 (Section 3 Summary Report) to PRDOH on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

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### **30. 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.

### **31. 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).

### **32. HATCH ACT**

SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Act, 5 U.S.C. §§ 1501-1508, as amended.

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

The 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.

### 33. HEALTH AND SAFETY STANDARDS

All parties participating in this project agree to comply with Sections 107 and 103 of the Contract Work Hours and Safety Standards Act. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous to his or her health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchase of supplies or materials or articles ordinarily available on the open market, or contracts for transportation.

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### 34. 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.

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### 35. 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 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.

### 36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

Claims and disputes pertaining to wage rates or to classifications of professional staff or technicians performing work under this 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.

### 37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

No person employed on the services covered by this Agreement shall be discharged or in any way discriminated against because he or she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable hereunder to his or her employer.

### 38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

The 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 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.

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#### **39. INTEREST OF CERTAIN FEDERAL OFFICERS**

No member of, or delegate to, the Congress of the United States and no Resident Commissioner shall be admitted any share or part of this Agreement or to any benefit to arise therefrom.

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#### **40. 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.

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

The SUBRECIPIENT will comply with the provisions of the Hatch Act (5 U.S.C. § 1501 *et seq.*), which limits the political activity of employees.

#### **42. RELIGIOUS ACTIVITY**

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

#### **43. 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 in the Flood Disaster Protection Act of 1973, 24 C.F.R. § 570.605.

#### **44. LEAD BASED PAINT**

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

#### **45. VALUE ENGINEERING**

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

The 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).

**46. 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.

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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.

**END OF DOCUMENT**

# UPR HUMACAO - AMENDMENT A - SBIA

Final Audit Report

2021-11-02

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2021-10-29

By:

Radames Comas Segarra (rcomas@vivienda.pr.gov)

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