

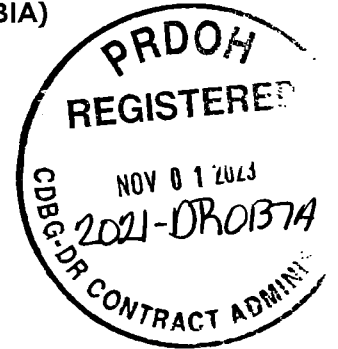


oIRC

WDRR  
WDRR

**COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)  
SMALL BUSINESS INCUBATOR AND ACCELERATOR PROGRAM (SBIA)**

**AMENDMENT A TO THE SUBRECIPIENT AGREEMENT  
BETWEEN THE  
PUERTO RICO DEPARTMENT OF HOUSING  
AND  
BOYS & GIRLS CLUBS OF P.R., INC.  
Contract No. 2021-DR0137  
Amendment No. 2021-DR0137A**



This **AMENDMENT A TO THE SUBRECIPIENT AGREEMENT (AMENDMENT A)** is entered into this 31 day of October, 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 L.P.R.A. § 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 Guaynabo, Puerto Rico; and **BOYS & GIRLS CLUBS OF P.R., INC. (Subrecipient)**, nonprofit organization, with principal offices at 501 Avenida R.H. Todd, San Juan, Puerto Rico, represented herein by its President, Olga I. Ramos Carrasquillo, of legal age, married, and resident of Caguas, Puerto Rico; collectively the "**Parties**".

**I. RECITALS AND GENERAL AWARD INFORMATION**

**WHEREAS**, on March 24, 2021, the Parties executed a Subrecipient Agreement, Contract Number 2021-DR0137 (**Agreement**), for **TWO MILLION FOUR HUNDRED FORTY-ONE THOUSAND TWO HUNDRED FORTY-FIVE DOLLARS (\$2,441,245.00)** for the Subrecipient to undertake its activities under the **Small Business Incubator and Accelerator Program (Program)**. The Parties agreed on a performance period of **thirty-six (36) months** from the date of the execution of the Agreement, ending on **March 24, 2024**.

**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 A** 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 A**.

**WHEREAS**, the Subrecipient duly adopted a Corporate Resolution dated June 30, 2023, authorizing Olga I. Ramos Carrasquillo, President, to enter into this **AMENDMENT A** on behalf of the Subrecipient.

**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 A** subject to the following:

**II. TERMS AND CONDITIONS**

alRC

**A. SAVINGS CLAUSE**

WORR  
WORR

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

**B. SCOPE OF THE AMENDMENT**

In order to achieve the Program goals, the Parties acknowledge and agree that it is necessary to amend **Exhibit A** (Scope of Work), **Exhibit B** (Timelines and Performances Goals), **Exhibit C** (Key Personnel), and **Exhibit D** (Budget) of the Agreement.

Moreover, an updated version of **Exhibit F** (HUD General Provisions) is being incorporated by reference into the Agreement. Also, the Parties have agreed to modify **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 to address the introduction of the new **EXHIBIT H** (Subrogation and Assignment Provisions) and a new **Exhibit I** (Non-Conflict of Interest Certification).

In addition, the Parties have agreed to incorporate an updated version of the **GENERAL AWARD INFORMATION** table of **Section I** of the Agreement, **Section XI. CDBG-DR POLICIES AND PROCEDURES**, and **Section XII. FORCE MAJEURE** of the Agreement. The Parties also acknowledge that a new **Section XXX. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION** and a new **Section XXXI. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** are being incorporated into the Agreement. Nevertheless, the End Term and the Total Authorized Budget of the Agreement remain unchanged.

**C. AMENDMENTS**

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

|   |   |
|---|---|
| CDBG-DR Grantee Federal Award Identification Number | B-17-DM-72-0001   |
| CDBG-DR Grantee Federal Award Date:                 | September 20, 2018  |
| CDBG-DR Grantee Unique Entity Identifier:           | Unique Entity ID #: FFMUBT6WCM1   |
| Federal Award project description:                  | See <b>Exhibit A</b> ("Scope of Work")  |
| Subrecipient Contact Information:                   | Olga I. Ramos Carrasquillo<br>President<br>Boys & Girls Clubs of Puerto Rico, Inc.<br>501 Avenida R.H. Todd<br>San Juan, PR 00907<br>787-728-4040<br>info@bgcpr.org |
| Subrecipient Unique Entity Identifier:              | Unique Entity ID #: WQUVNYR2VG85  |
| Subaward Period of Performance:                     | Start Date: Effective Date, as defined in <b>Section V</b> of the Agreement, as amended.<br>End Date: <b>Thirty-six (36) months</b> from Start Date.                |



Section 3 Policy, Language Access Plan, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/resources/policies/>), which are herein included and made an integral part of this SRA, as they may be updated from time to time, Procurement policies and procedures in accordance with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327, and reporting requirements as established by the PRDOH.

oIRC

WDRR  
WDRR

- e. The Parties agree to amend **Section XII. 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 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 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 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.*

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

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

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

*The Subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. As such,*

dlRC

WDRR  
WDRR

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

h. **Exhibit A** (Scope of Work) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement (See **Attachment I**) to include the following modifications:

- Change the Section 5 "Time Performance" narrative to read: "All Program activities, including closeout, must be concluded as per the term stated in the SRA".
- Change the Section 6 "Budget" narrative to read: "For details refer to **Exhibit D** of this SRA".

i. **Exhibit B** (Timelines and Performance Goals) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement (See **Attachment II**) to include the following modifications:

- Change in **Section 3 "Performance Indicators & Goals"** as follows:
  - The Key Activity 1.1 "Outreach efforts to socialize the program": The indicator will be renamed from "# of outreach activities in the defined outreach and marketing period" to read "Amount of Outreach Activities performed". In addition, the following indicators will be eliminated: "# of businesses reached by outreached activities" and "# of outreach materials produced."
  - The Key Activity 1.1 Under "Source of verification" replace the entire narrative to read as "Please include the type and dates/period of the performed outreach activities as well as one or more sources of verification per outreach activity, such as pictures, videos, attendance signed-in lists, meeting minutes, email blasts, audience reach, copy of print, tv/radio or online dissemination efforts, etc."
  - The Key Activity 1.1 Under the "Target" column replace the entire narrative to read as "At least one (1) outreach activity per year for beneficiary recruitment."
  - The Key Activity 1.1 Under "Timeline" replace the entire narrative to read as "Before the beginning of each training cohort."
  - The Key Activity 1.2 "Engage businesses and potential businesses to sign up for the program." Under "Source of verification" replace the entire narrative to read as "Subrecipient Monthly Report"
    - "-Will include the list of businesses that applied to the programs."
    - Aligned with "# of applications received during the application period" under the indicator column.
    - "-Evidence of the acceptance letter sends by email to Applicants."
    - Aligned with "# of businesses that begin the program" under the indicator column.
  - The Key Activity 1.2 Under the "Target" column replace everything with the following two paragraphs:

oIRC

WDRR  
WDRR

"Total of 260 applications received during the life of the SRA."  
Aligned with "# of applications received during the application period" under the Indicator column.

"Total of 260 businesses that begin the program."

Aligned with "# of businesses that begin the program" under the indicator column.

- o The Key Activity 1.2 Under the "Timeline" column replace everything with the following:

*"Progressive achievement towards target."*

Aligned with "# of applications received during the application period" under the indicator column.

**"Startup Incubator & Support Incubation (240):"**

80 by the end of the year 2022.

80 additional business participants by the end of the year 2023.

80 additional participants businesses by the end of February 2024.

**Accelerator (20):**

6 by the end of year 2022.

7 additional businesses participants by the end of 2023.

7 additional businesses participants by the end of February 2024."

Aligned with "# of businesses that begin the program" under the Indicator column.

- o The Key Activity 1.3 "Successful completion of incubation or acceleration program" Under the "indicator" column the first indicator will remain unchanged, but the indicator "# of businesses who demonstrate improved business ability after completion of the program" will be eliminated.

- o The Key Activity 1.3 Under the "Source of verification" column replace the entire narrative with "Complete participants profiles in the Participants information portal (SOR)."

- o The Key Activity 1.3 Under the "Target" column replace everything with: "At least 70% (182) participants by the end of the SRA."

- o The Key Activity 1.3 Under the "Timeline" column replace everything with the following:

**"Startup Incubation & Support Incubation (168):"**

56 participants businesses receiving program certification by the end of the year 2022.

56 participants' businesses receiving certifications granted by the end of year 2023.

56 participants' businesses receiving certifications granted by the end of February 2024.

**Accelerator (14):**

5 participants businesses receiving program certification by the end of 2022.

5 participants businesses receiving certification granted by the end of year 2023.

4 participants businesses receiving certification granted by the end of February 2024."

- o The 3.1.1 "Key Activity: Outreach efforts to socialize the program" will be modified by eliminating the following bullets: "Report the number of individuals or businesses that are anticipated to be reached and that are actually reached." and "Report the

*number of materials produced and provide final copies of any materials created."*

- o The 3.1.3 "Key Activity: Completion of Small Business Incubators and Accelerators Program" replace the entire narrative with *"This activity should capture information as it relates to the completion of the Small Business incubators and Accelerators Program by accepted businesses. This task is expected to be recurring throughout the life of the SRA based on the program's schedule or calendar. The task is considered complete when participants businesses received the incubation or acceleration certificate."*
- o The 3.1.3 "Key Activity: Completion of Small Business Incubators and Accelerators Program" will be modified by eliminating the following bullet: "Report the number of businesses who demonstrate improved business ability alter completion of the program within 6 months of completing the program."
- o The 3.1.3 "Key Activity: Completion of Small Business Incubators and Accelerators Program" will be modified by eliminating the two tables for Key Deliverable and Performance Month."

j. **Exhibit C** (Key Personnel) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement (See **Attachment III**) that includes the following modifications:

- The two "Program Directors" to "Accelerate Program Director" and "Alumni Program Director".
- The following new positions:
  - o Communications Specialist
  - o Support Program Director
  - o Business Analyst
  - o Administrative Coordinator
  - o Compliance Officer
  - o Graphic Designer

k. **Exhibit D** (Budget) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement (See **Attachment IV**) that includes the following modifications:

- Change **Section I. STAFFING** table to eliminate the Construction section.
- Change **Section I. STAFFING** table to modify the following columns:
  - o Staffing section: Edit 3<sup>rd</sup> column "Max. Months" to read: "Estimated\* Months Needed [B]".
  - o Staffing section: Edit 4<sup>th</sup> column "Max. Hours per month per Resource [B]" to read: "Estimated\* Hours per month per Resource [C]".
  - o Staffing section: Edit the 5<sup>th</sup> column "Hourly Rate [C]" to read: "Maximum Hourly Rate [D]".
  - o Staffing section: Edit 6<sup>th</sup> column "Max. Monthly Cost [D=AxBxC]" to read: "Estimated\* Monthly Cost [E=AxCxD]".
  - o Staffing section: Edit 7<sup>th</sup> column "Max Cost [D=AxBxC] to read "Cost of Staff Position [F=BxE]".
- Change **Section I. STAFFING** to modify the rows under the columns "Estimated\* Months Needed [B]", "Estimated\* Hours per month per

oIRC

WARR  
WARR

Resource [C]" and "Maximum Hourly Rate [D]", and as a result of these changes their corresponding column [E] and [F] rows will change as follows:

oIRC

WARR  
WARR

- o **Project Makers Managing Director**- The Managing Director staff position will be renamed from "Managing Director: the 3-year total budgeted for this position is \$290,032. This is based on an anticipated 6 months of salary in Year 1 and 12 months of salary in each Years 2 and Years 3." to read "**Project Makers Managing Director**". Reduce 3 month in "Estimated\* Months Needed [B]" from 30 to 27 months; 160 hours in "Estimated\* Hours per month per Resource[C]" remains unchanged; \$60.31 in "Max. Hourly Rate[D]" remains unchanged. As a result of these changes column [E] and [F] will read \$9,649.60 and \$260,539.20 respectively.
- o **Project Makers Chief of Operations (COO)**- The Chief of Operating Officer staff position will be renamed from "Chief of Operating Officer: Please note that the 3-year total budgeted for this position is \$162,744. This is based on an anticipated 12 months of salary in each Years 2 and Years 3." to read "**Project Makers Chief of Operations (COO)**".
- o **Project Makers Chief of Operations (COO) (First 9 months)** - The original 24 months decrease 3 months in "Estimated\* Months Needed [B]" from 24 to 21. The 21 months were split between the first 9 months on the first line and the last 12 months on second line. The 160 hours in "Estimated \* Hours per month per Resource [C]" remains unchanged; \$42.38 in "Max. Hourly Rate[D]" remains unchanged. As a result of these changes column [E] and [F] will read \$6,780.80 and \$61,027.20 respectively.
- o **Project Makers Chief of Operations (COO) (Last 12 months)**- The 160 hours in "Estimated \* Hours per month per Resource [C]" remains unchanged; increase \$14.52 "Max. Hourly Rate[D]" from \$42.38 to \$56.90. As a result of these changes column [E] and [F] will read \$9,104.00 and \$109,248.00 respectively.
- o **Communications Specialist**- (additional staff position) Create an additional position and assign 12 months in column "Estimated\* Months Needed [B]"; assign 160 hours for "Estimated\* Hours per month per Resource [C]"; assign \$31.51 to "Max. Hourly Rate[D]". As a result of these new inclusion the column [E] and [F] will read \$5,041.60 and \$60,499.20 respectively.
- o **Accelerate Program Director** - The Accelerate Program Director staff position will be renamed from "Accelerate Program Director: Year 1 assume 6 months of expense; year 2 & 3 assume 12 months of expense" to read "**Accelerate Program Director**".
- o **Accelerate Program Director (First 9 months)** - The original 30 months decrease 9 months in "Estimated\* Months Needed [B]" from 30 to 21. The 21 months were split between the first 9 months on the first line and the last 12 months on second line. The 160 hours in "Estimated \* Hours per month per Resource [C]" remains unchanged; \$24.46 in "Max. Hourly Rate[D]" remains unchanged. As a result of these changes column [E] and [F] will read \$3,913.60 and \$35,222.40 respectively.
- o **Accelerate Program Director (Last 12 months)** - The 160 hours in "Estimated\* Hours per month per Resource [C]" remains



oIRC

WDRR  
WDRR

- unchanged; increase \$14.44 "Max. Hourly Rate[D]" from \$24.46 to \$38.90. As a result of these changes column [E] and [F] will read \$6,244.00 and \$74,688.00 respectively.
- **Support Program Director** – (additional staff position) Create an additional position and assign 12 months in column "Estimated\* Months Needed [B]"; assign 160 hours for "Estimated\* Hours per month per Resource [C]"; assign \$31.51 to "Max. Hourly Rate[D]". As a result of these new inclusion the column [E] and [F] will read \$5,041.60 and \$60,499.20 respectively.
  - **Alumni Program Director**- The Alumni Program Director staff position will be renamed from "Alumni Program Director: 12 months' salary in each Year 2 & 3." to read "**Alumni Program Director**".
  - **Alumni Program Director (First 9 months)** – The original 24 months decrease 3 months in "Estimated\* Months Needed [B]" from 24 to 21. The 21 months were split between the first 9 months on the first line and the last 12 months on second line. The 160 hours in "Estimated\* Hours per month per Resource [C]" remains unchanged; \$24.46 in "Max. Hourly Rate[D]" remains unchanged. As a result of these changes column [E] and [F] will read \$3,913.60 and \$35,222.40 respectively.
  - **Alumni Program Director (Last 12 months)**- The 160 hours in "Estimated\* Hours per month per Resource [C]" remains unchanged; increase \$7.05 "Max. Hourly Rate[D]" from \$24.46 to \$31.51. As a result of these changes column [E] and [F] will read \$5,401.60 and \$60,499.20 respectively.
  - **Business Analysts**- (5 additional staff position) Create five additional positions and assign 12 months in column "Estimated\* Months Needed [B]"; assign 160 hours for "Estimated\* Hours per month per Resource [C]"; assign \$29.38 to "Max. Hourly Rate[D]". As a result of these new inclusion the column [E] and [F] will read \$23,504.00 and \$282,048.00 respectively.
  - **Administrative Coordinator** – (additional staff position) Create an additional position and assign 12 months in column "Estimated\* Months Needed [B]"; assign 160 hours for "Estimated\* Hours per month per Resource [C]"; assign \$16.00 to "Max. Hourly Rate[D]". As a result of these new inclusion the column [E] and [F] will read \$2,560.00 and \$30,720.00 respectively.
  - **Compliance Officer** – (additional staff position) Create an additional position and assign 12 months in column "Estimated\* Months Needed [B]"; assign 160 hours for "Estimated\* Hours per month per Resource [C]"; assign \$25.00 to "Max. Hourly Rate[D]". As a result of these new inclusion the column [E] and [F] will read \$4,000.00 and \$48,000.00 respectively.
  - **Graphic Designer** – (additional staff position) Create an additional position and assign 12 months in column "Estimated\* Months Needed [B]"; assign 160 hours for "Estimated\* Hours per month per Resource [C]"; assign \$20.00 to "Max. Hourly Rate[D]". As a result of these new inclusion the column [E] and [F] will read \$3,200.00 and \$38,400.00 respectively.
- Modify **Section I. PROFESSIONAL SERVICES** to modify the following services:
    - "Centro para Emprendedores" to "Entrepreneurial Educational and Coaching services".

alRC

WDRR  
WDRR

- Modify **Section I. PROFESSIONAL SERVICES** to eliminate:
  - Interim Managing Director (Never been used)
- Modify Section I. Professional Service section as follows:
  - **Mentors and coaches** – The proposed budget increases from \$293,505.00 to \$369,169.00. The services description should read: "Mentors and coaches for Startup, Support, and Accelerate programs. Variable hours per year, at \$80 per hour, as described in budget narrative. Includes set aside for travel costs."
  - **Entrepreneurial Educational and Coaching Services** – The proposed budget increases from \$120,000.00 to \$140,000.00. The services description should read: "In charge of implementing the Startup programming elements of our SBIA model. This includes and educational and coaching element."
  - **Program Outreach** – The proposed budget increases from \$35,000.00 to \$50,000.00. The services description should read: "Variable program outreach budget per year to recruit for Startup, Support, and Accelerate programs."
  - **Individualized professional services for new businesses** – The proposed budget increases from \$17,250.00 to \$29,806.66. The services description should read: "Includes costs for separate legal, accounting, marketing or other professional services. These services will be directly for program participants who will need these services to successfully launch or accelerate their business. We have budgeted a yearly cost for hourly services via independent consultants, which will be at variable rates depending on the services needed. For purposes of budgeting we have selected a blended rate of \$100 per hour, with the knowledge that such rates will vary for the individual service provider based on the specific services needed by the participating individuals and their business needs. We anticipate the professional services contracts may be awarded to MWBEs, to qualify for our 20% MWBE spending requirement."
  - **Communications Services** – (additional Professional Services) Create an additional expense for communications services with a proposed budget of \$50,000.00. The item description should read: "Contract with communications consultant to assist with strategic positioning, program outreach, materials design, and program awareness. To enhance the success of Accelerate programming especially."
- Modify **Section I. OTHER OPERATING** as follows:
  - **Staff travel** – The proposed budget increases from \$2,784.00 to \$50,000.00. The item description should read: "Mileage reimbursement and off-Island professional development and recruitment events for program staff and participants."
  - **Program Delivery Supplies** – The proposed budget increases from \$10,000.00 to \$25,000.00. The item description should read: "These are supplies for the delivery of the Start Up, Support, Accelerate, and Alumni programming. This will include items such as curriculum readers and materials for set programming (such as the 8-week start up workshops), materials used by program participants for assignments or achievement of their individualized start up plans (such as materials to assemble product portfolios, make presentations to investors, conduct team meetings), and supplies needed for program events (such as for speakers, investor roundtables and pitch days, and alumni programming)."

a/RC

WORR  
WORR

- **Demo day materials** – The proposed budget in increases from \$20,00.00 to \$40,000.00. The item description should read: "Supplies and materials for Demo Day and other participant activities, such as community graduation events. This will include items like reusable signs, materials for graduates and the public, certificates of completion, printing costs of pitch presentations and capstone projects, etc."
  - **Startup Weekends and Community Training Sessions** – (additional Other Operating) Create an additional expense for Community training sessions and three start up weekends with a proposed budget of \$120,000.00. The item description should read: "Community training sessions and three start up weekends annually as part of expanded programs for supporting new business. The startup weekends will allow entrepreneurs to participate in a full weekend of "boot camp" style trainings where at the end of the weekend the participant has a complete business plan."
  - **Subscriptions** – (additional Other Operating) Create an additional expense for Subscription services with a proposed budget of \$8,000.00. The item description should read: "Subscription services for database platforms, software needed to run the program."
  - **Rent** – (additional Other Operating) Create an additional expense for rent cost with a proposed budget of \$36,000.00. The item description should read: "Rent of temporary office space to operate Project Makers program."
  - **Utilities** – (additional Other Operating) Create an additional expense for the utilities cost with a proposed budget of \$24,000.00. The item description should read: "To be able to pay for water, electricity and internet service to operate in a daily basis at the temporary space."
  - **Indirect Cost** – The proposed budget in increases from \$122,213.90 to \$207,258.00. The item description should read: "We recognize that we have never received a negotiated indirect cost rate with a federal agency. We elect to take the de minimis rate of 10% of modified total direct costs, which may be used indefinitely, in accordance with Federal cost principles established in 2 CFR part 200 subpart E."
- Modify **Section I. EQUIPMENT** as follows:
    - **Technological Equipment** – "Computers (First line)" and "Computers (Second line)" will be merged in one single expense. The proposed budget of \$4,500.00 and \$4,000.00 respectively will increase to \$21,237.00. The description should be edited to read: "Include computers, tablets, cameras, and projectors for staff and participants use at site."
    - **Office equipment** – "Office desks", "Office desk chairs", "Tables with electrical connectors", "Chairs", "Guest chairs", "Conference tables" and "Conference chairs" will be merged in one single expense. The proposed budget of \$2,000.00, \$800.00, \$4,200.00, \$1,400.00, \$800.00, \$1,800.00 and \$2,250.00 respectively will increase to \$54,840.20. The description should be edited to read: "Office desks, chairs for staff and guests, conference space, stools for coworking areas, working tables for conference rooms. Equipment for out of the office presentations."
    - **Modular station areas** – The proposed budget in increases from \$6,000.00 to \$8,400.00. The item description should read: "For office co-working hub."

o/RC

WDRR  
WDRR

- o **File cabinets** – “file cabinet, large” and “File cabinet, small” will be merged in one single expense. The proposed budget of \$700.00 and \$1,000.00 respectively will increase to \$9,100.00. The description should be edited to read: “File cabinets for the staff and office coworking hub.”
  - o **TVs conference centers** – The proposed budget increases from \$9,000.00 to \$12,600.00. The item description should read: “For office co-working space, for presentations.”
  - o **Conference furniture** – “Book stands”, “Whiteboards” and “Small sofa tables” will be merged in one single expense. The proposed budget of \$1,200.00, \$1,200.00 and \$1,800.00 respectively will increase to \$19,221.34. The description should be edited to read: “For conference rooms at the co-working hub, such as bookstands, whiteboards, sofas and tables.”
- I. **Exhibit F** (HUD General Provisions) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement. (See **Attachment V**).
- m. **Exhibit H** (Subrogation and Assignment Provisions) is being incorporated by reference into the Agreement (See **Attachment VI**).
- n. **Exhibit I** (Non-Conflict of Interest Certification) is being incorporated by reference into the Agreement. (See **Attachment VII**).

### III. SEVERABILITY

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

### IV. 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**.

### V. 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 thereto. 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, 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.

aIRC

WORR  
WORR

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

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

By: William O. Rodríguez Rodríguez  
William O. Rodríguez Rodríguez (Oct 31, 2023 11:43 EDT)

Name: William O. Rodríguez Rodríguez

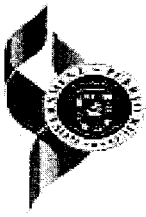
Title: Secretary

**BOYS & GIRLS CLUB OF P.R., INC.  
Subrecipient**

By: Olga I. Ramos Carrasquillo

Name: Olga I. Ramos Carrasquillo

Title: President



oIRC

WDRR  
WDRR

## EXHIBIT A

### SCOPE OF WORK

#### SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

#### BOYS & GIRLS CLUBS OF P.R., INC.

##### 1. Program Overview/Background

The goal of The Boys & Girls Clubs of Puerto Rico (**BGCPR**) Vimenti Small Business Incubator and Accelerator, named Project Makers, is to reduce child poverty and promote economic mobility in Puerto Rico (**PR**) by helping individuals and companies harness the tools of entrepreneurship to make a social and economic impact in marginalized communities.

##### 2. National Objective

All activities of the Community Development Block Grant for Disaster Recovery (**CDBG-DR**) program must meet one (1) of the three (3) National Objectives defined in the authorizing statute of the CDBG program at 104(b)(3) of the Housing and Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5305.

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
  - Job Creation/Retention
  - Area Benefit
  - Limited Clientele
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))

Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))

##### 3. Program Description

The power of Project Maker's approach emanates from a design that embraces integrated, side-by-side, business startup and support services with programs for (1) low-income individuals and (2) teams of entrepreneurs committed to developing anti-poverty products and services. This two-population approach supports wealth creation in impoverished communities by integrating the needs and resources of disadvantaged communities in San Juan with global resources, networks, capital, and solutions.

oIRC

WDRR  
WDRR

Project Makers is designed around a four-stage continuum of services—Startup, Support, Accelerate, and Alumni—that supports businesses through stages of development. Programming is tailored for businesses started by low-income individuals and businesses started to alleviate poverty among low-income individuals.

The goals of Project Makers will be supported through the following program components. Each component has associated activities contained within and described in more detail in the Program Outreach Plan and Program Work Plan. Components are as follows:

1. **Stakeholder Engagement:** Programming is tailored for businesses started by low-income individuals and businesses started to alleviate poverty among low-income individuals. BGCPR will facilitate inclusion of Low- and Moderate-Income (LMI) individuals and communities. Project Makers will develop an Outreach Plan and will conduct outreach to educate, promote engagement, and increase participation through orientation sessions and assisting community members, with a focus on low-income and Section 3 residents, in their journey to apply to the program. We partnered with community representatives from the residences, social workers involved in the community, and the managing companies of the housing complexes to recruit participants through community events (like information nights and presentations at community groups) as well as one-on-one referrals from social workers/case workers and BGCPR staff working in the community. In addition to the multiple local networks identified previously and already committed to collaborating with Project Makers, we will also conduct outreach to identify a broader network of local community partners. BGCPR will identify sources of community-based leaders and entrepreneurs using our existing access to a variety of organizations and initiatives in Puerto Rico. Among them are Centro para Emprendedores, Proyecto Enlace, Fundación Comunitaria de Puerto Rico, and even other Boys and Girls Club of Puerto Rico initiatives.

Additionally, to address the needs of low-income mothers specifically, Project Makers will market to women community groups, like mother's groups, women recreational sport or hobby groups, Women in Business associations, and networking groups. Project Makers will distribute flyers and recruitment events at places where women and families routinely gather. We will also work with our female program alumni to participate in the marketing and outreach activities, to showcase how entrepreneurship had a positive impact on their lives and their

oIRC

WORR  
WORR

family. We will have female representation on our selection Accelerator committee and women on our team to serve as mentors.

2. **Technical Assistance:** BGCPR will assist PRDOH in the development of a Program Work Plan, to be included in the SRA Package. Project Makers will provide technical assistance and/or trainings to Beneficiaries (Program Participants) as outlined in their Program Work Plan. The day-to-day program content will be created in collaboration with the New York City Innovation Collective (“NYCIC”), which provides incubators and accelerators with business development technical assistance, with a similar mission to address social and economic justice through entrepreneurship. They will leverage their experience and resources to support curricula and programming for the targeted low-income population. This includes marketing and sales, program economics, startup outreach, delivering mentor value, mastering innovation key performance indicators (KPIs), and other topics pertinent to small business launch and success.
3. **Construction:** Project Makers will be housed in a 5,500 sq ft dedicated part of the new Vimenti campus for exclusive use of Project Makers Small Business Incubation and Acceleration activities. The Project Makers Small Business Incubator and Accelerator facility, originally slated for rehabilitation and renovation, will include new construction for cost effectiveness. BGCPR will engage the necessary staff and/or vendor(s) to carry out the construction plan and further described in the Construction section of the Program Work Plan. Construction will meet all Federal and State legal requirements. For construction costs, BGCPR and Vimenti have a robust capital campaign that is on track to raise the additional funds needed for the other parts of Phase 1 construction, which primarily encompasses the construction of the Vimenti Charter School and some inter-connected systems that will also be used by Project Makers and the rest of the programming on the Vimenti campus. We are also targeting the EDA Public Works program for eligible components of the Vimenti campus, including the workforce training areas of the Health and Economic Building.

#### 4. Tasks

In addition to the tasks included herein and described below, and the outcomes and activities described in the Program Outreach Plan and Program Work Plan, BGCPR with prior consent and written authorization of PRDOH, shall perform additional tasks within cost affordability and parameters necessary for the proper performance of the services under the SRA.



oIRC

WQRR  
WQRR

The tasks and activities under this Program will be managed by the **Boys & Girls Clubs of Puerto Rico (BGCPR)** as subrecipient of PRDOH. Consistent with the requirements of this Agreement, the **BGCPR** shall be reimbursed for any Eligible Costs incurred in carrying out program activities within eligible budget amounts.

#### **4.1 Office Logistics**

- 4.1.1** Secure office space and necessary equipment for these offices to function, as necessary. Office spaces will be suitable for the services to be provided, provide amenities required by local ordinance for public facilities, and comply with ADA accessibility requirements.
- 4.1.2** The Project Makers Small Business Incubator and Accelerator will be a gross 5,500 sq ft. dedicated part of the new Vimenti campus, located adjacent to the Ramos Antoni Public Housing Project and the Mall of San Juan in San Juan, Puerto Rico. The dedicated Project Makers space will be comprised of five rooms and a restroom.
- 4.1.3** Provide and secure equipment and technologies required to carry out the training program and, as needed, support remote or virtual program operations.

#### **4.2 Project/Agreement Management**

##### TIMELINE and SCHEDULE

- 4.2.1** Create, maintain, and control: The Project Makers Small Business Incubator and Accelerator facility will include new construction. Work Plan which includes Program Service Area, Small Business Incubator and Accelerator Courses or Program Offerings, Program Needs Assessment, Program Metrics and Standards, Program Compliance, and Construction (as applicable).
- 4.2.2** Teach teams how to select, measure, benchmark, use, and report on social impact metrics that are critical to the rebirth and prosperity of PR. The focus on poverty reduction and social impact is the differentiating factor between Project Makers and most accelerators in PR and the world.
- 4.2.3** Vimenti and partners will monitor metrics as they relate to participation, investments, program outcomes, and our own role in society. Measurements will vary depending on skill level and capacity of entrepreneurs, development stage, and mission of companies.

oIRC

WARR  
WARR

- 4.2.4** Work closely with PRDOH to ensure timely delivery of Program activities, in accordance with the agreed upon Program Outreach Plan, Program Work Plan, and Exhibit B Timelines and Performance goals.

#### STAFFING

- 4.2.5** Deliver Key Personnel and Staff listed in Exhibit C and Exhibit D promptly to support program demands.
- 4.2.6** Ensure adequate staffing levels to support Program activities funded in whole or in part by CDBG-DR.
- 4.2.7** Key organization staff at Vimenti will assume roles in the Project Makers Program while members of the BGCPR Legacy Council – a volunteer board of business leaders that each agree to raise or contribute a minimum of \$50,000 for BGCPR activities – will act as advisors.
- 4.2.8** Advisory Board: Each of the project program partners will serve on the Advisory Board (Centro para Emprendedores, NYCIC, Hispanics in Philanthropy, the Chamber of Commerce, and FirstBank), as will a LMI business owner. We may recruit additional members based on the needs of participating entrepreneurs.
- 4.2.9** Provide a dedicated Program Management team, to efficiently and effectively carry out Program activities.

#### BUDGET MANAGEMENT and INVOICING

- 4.2.10** Manage agreed upon program budget included herein. Any variances or expected variances which would cause significant impacts on the program will be reported to PRDOH along with recommended corrective action.
- 4.2.11** BGCPR uses a strict requisition process for all expenses, requiring the approval of purchases by the project supervisor and accounting division before they are made, and only issues payments upon the receipt of the items or service and issuing of an invoice. BGCPR also programs all grant budgets, once approved by the granting agency, into distinct budgeting accounts to ensure separation of funds and that requested expenditures match approved grant budgets. Every BGCPR employee submits a timecard every two weeks, even staff on salary, to track time spent on different projects, which allows for appropriate accounting of staff time on grant-funded activities.

oIRC

WDRR  
WDRR

- 4.2.12** Submit monthly invoices with a report including status of programs and beneficiaries, as well as preparing a report after each Project Makers cohort that includes information on funding spent as well as completed program requirements by the beneficiary businesses.
- 4.2.13** Prepare and submit request for funds to PRDOH with all required supporting documentation on a monthly basis.
- 4.2.14** Submit end of program report on all funding spent, invoicing, required program monitoring, and final information (including closeout requirements) on all beneficiaries that completed the Project Makers programs.

#### PERFORMANCE

- 4.2.15** Monitor and control team performance (including all staff and vendors under the BGCP's direct and indirect supervision) in accordance with established performance goals, regulatory compliance, and quality standards.
- 4.2.16** Recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff, as necessary.
- 4.2.17** Monitor and update all Program Beneficiary demographic, participation, and performance information using the approved system of record provided by the PRDOH Information Technology team.
- 4.2.18** Internal data reviews will be completed by project staff midway through each cohort. Initial, mid-point, and end-of-cohort evaluations will be prepared and shared with staff, partners, and oversight councils to determine what is working best and what changes are required to improve outcomes.

#### MONITORING and COMPLIANCE

- 4.2.19** Implement the Program in a compliant manner, per the CDBG-DR regulations, policies, procedures, and all applicable state, local and federal regulations.
- 4.2.20** Maintain a complete understanding of all applicable Program policies, requirements, procedures, guidelines; possess knowledge of regulatory and statutory compliance requirements for CDBG-DR and similar programs/projects. Ensure all program participants, including BGCPs, vendors, and beneficiaries are aware of all policy changes.

oIRC

WQRR  
WQRR

- 4.2.21** BGCPR will maintain all quotes, costs receipts and invoices, and time and effort records (collected every two weeks) of each employee for each grant-funded project. This allows us to be accountable and merge reports as needed.
- 4.2.22** Lead and review all program monitoring activities to prepare and present reports, data, documents, or other information as required by the PRDOH, HUD, the US Office of Inspector General (OIG), or other oversight entities.
- 4.2.23** Regularly communicate potential risks, issues, and statuses with PRDOH, in the manner they arise.
- 4.2.24** As requested, meet with PRDOH to discuss the status of the program, and any other issues that may have arisen during the administration of the assigned Program.

### **4.3 Document Control and Management**

- 4.3.1** In accordance with HUD regulations, follow the records retention requirements as cited in 24 C.F.R. § 84.53, which includes: financial records, supporting documents, statistical records and all other pertinent records.
- 4.3.2** The administrative component of BGCPR includes departments for Human Resources, Finance, Operation, Communication, Government Relations and Resource Development.
- 4.3.3** Following PRDOH CDBG-DR Recordkeeping Policy, the BGCPR shall retain all official records on programs and individual activities for **five (5) years**, starting from the closeout of the grant between PRDOH and HUD.
- 4.3.4** Maintain a clearly defined process for acquiring, organizing, storing, retrieving and reporting on financial records and project and activity records.
- 4.3.5** BGCPR maintains records for all costs, receipts and invoices, and time and effort records (collected every two weeks) of each employee for each grant-funded project.
- 4.3.6** Store, archive, and retrieve physical documents and electronic images of all paper documents, applicant-related emails, correspondence, training material, policies and procedures, and other documents or materials as may be required.
- 4.3.7** Establish and maintain protocols for physical file management, as applicable, to include, among other things, access to a file, tracking of location and possession of a file.

oIRC

WDRR  
WDRR

- 4.3.8** BGCPR will ensure all project information and documentation is available at all times in the system of record.
- 4.3.9** BGCPR agrees to provide all relevant documents in both English and Spanish language.
- 4.3.10** Any systems, tools, or technology provided will meet Personal Identifiable Information (PII) requirements as outlined in the Privacy Act of 1974, 5 U.S.C. § 552a (Privacy Act), 24 C.F.R. Part 5, and PRDOH policy for protection of PII.
- 4.3.11** Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, agrees to provide the following:
  - 4.3.11.1 Records providing full description of each activity;
  - 4.3.11.2 Records verifying that activity meets national and grant objectives;
  - 4.3.11.3 Records related to demonstrating eligibility of activities;
  - 4.3.11.4 Records required to document activity related to real property;
  - 4.3.11.5 Records documenting compliance with Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Minority Business Enterprise, Women Business Enterprise, Section 3 of the Housing and Urban Development Act of 1968, fair housing and equal opportunity requirement, as applicable;
  - 4.3.11.6 Financial records and reports required by the Program; and
  - 4.3.11.7 Records supporting any specific requirements of the Program or the CDBG-DR allocations.
- 4.3.12** Any other task, notified or discovered of, necessary for the proper document control management.

#### **4.4 Program Development**

- 4.4.1** Develop and implement policies, strategies, guides and/or templates required for the implementation and administration of the Tasks and Activities contained within this SRA (i.e. Outreach Plan, Standard Operating Procedures (SOPs), Forms, Contracts, Correspondence, Applications, etc.), as applicable and as requested by PRDOH.

oIRC

WDRR  
WDRR

- 4.4.2** Conduct proper procurement as needed for successful implementation and administration of the Tasks and Activities contained within this SRA. All procurement must be done in accordance with the latest version of the PRDOH Procurement Manual for CDBG-DR Programs.
- 4.4.3** Publish programmatic information as determined by PRDOH and required by program needs (e.g. training material, outreach material, etc.).
- 4.4.4** Provide PRDOH with required documentation and information as specified in Federal Register Vol. 83, No. 28 (83 FR 5844) for posting on PRDOH Disaster Recovery Website ([www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)). Provision of non-essential information (when requested) such as bulletins, newsletters, or marketing materials for publication on PRDOH Disaster Recovery Website.

#### **4.5 Accounting and Reporting**

- 4.5.1** A Board of Directors composed of volunteers and prominent business leaders has the fiduciary responsibility of ensuring proper management practices are in place and followed by the administration of BGCPR.
- 4.5.2** BGCPR shall adhere to PRDOH's financial management policies and procedures as outlined in its manual, the Program Guidelines, or policies and procedures for this Program, including but not limited to:
  - 4.5.2.1 Account and reporting of uses of CDBG-DR funds, including but not limited to information on National Objectives met, beneficiary demographics, and project completion status.
  - 4.5.2.2 Submit regular Monthly Progress Reports and ad-hoc reports, as necessary, to PRDOH, in the form and with the content specified and required by PRDOH, in the frequency or form determined by PRDOH at the moment of request.
  - 4.5.2.3 Provide PRDOH with project progress reports on demand, as well as access to the project management system for PRDOH to monitor the project.
  - 4.5.2.4 Account for and reconcile, (a) all federal funds requested and drawn from HUD and awarded to grant recipients, (b) all funds returned by applicants, (c) all funds deposited by applicants to reduce duplicative benefits potential award gap and any other funds as applicable.

oIRC

WDRR  
WDRR

4.5.2.5 Overseen directly by the CEO, BGCPR professionals will provide the Project Makers Program with extensive support on back-end operations, including fiscal accountability. BGCPR uses a strict requisition process for all expenses, requiring the approval of purchases by the project supervisor and accounting division before they are made, and only issues payments upon the receipt of the items or service and issuing of an invoice.

4.5.2.6 Reconcile with the PRDOH, on an established periodic basis, a complete inventory of all items furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, software licenses, etc., if applicable.

#### **4.6 Program Closeout**

- 4.6.1** Ensure that all program funding has been expended as stipulated in terms of grant agreement and suppliers have completed all tasks required by the award to the applicant.
- 4.6.2** Ensure that all applicable PRDOH quality control reviews have been completed.
- 4.6.3** Ensure that all supporting documentation, information, and log of applicant communications is included in the application file.
- 4.6.4** Program end report to include all funding spent, invoicing, all required program monitoring, and final information (including closeout requirements) on all beneficiaries that completed the program.
- 4.6.5** Ensure compliance with 2 C.F.R. 200 Subpart F, 24 C.F.R. § 570.509, CPD Closeout Notices, and PRDOH CDBG-DR Closeout Process, as may be applicable to the application.

#### **5. Time Performance**

All Program activities, including closeout, must be concluded as per the term stated in the SRA.

#### **6. Budget**

For details refer to **Exhibit D** of this SRA.

**END OF DOCUMENT**



oIRC

WDRR  
WDRR

## EXHIBIT B

### TIMELINES AND PERFORMANCE GOALS

#### SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

#### BOYS & GIRLS CLUBS OF P.R., INC.

##### 1. PROGRAM OBJECTIVE:

The Small Business Incubators and Accelerators Program (**SBIA Program** or **Program**) provides services and physical spaces to support the development of Puerto Rico's small businesses and entrepreneurs that are creating jobs and expanding economic opportunities for residents Island-wide.

##### 2. TERMS:

- **Key Objective** The major objectives the Program wants to achieve.
- **Key Activity** – The activities necessary to carry out the Key Deliverables.
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Target** – The goal for each of the Indicators.
- **Timeline**- expected completion date or timeframe.

REMAINDER OF PAGE INTENTIONALLY LEFT IN BLANK



### 3. PERFORMANCE INDICATORS & GOALS

oIRC

WRR  
WRR

| KEY Outcome #1  | Key Activity   | Indicator  | Source of Verification   | Target   | Timeline   |
|---|--|--|--|--|--|
| Provide incubator or accelerator support to improve small and start-up business in Puerto Rico. | 1.1 Outreach efforts to socialize the program                              | Amount of Outreach Activities performed.   | Please include the type and dates/period of the performed outreach activities as well as one or more sources of verification per outreach activity, such as pictures, videos, attendance signed-in lists, meeting minutes, email blasts, audience reach, copy of print, tv/radio or online dissemination efforts, etc. | At least one (1) outreach activity per year per beneficiary recruitment.   | Before the beginning of each training cohort.  |
|   | 1.2 Engage businesses and potential businesses to sign up for the program. | # of applications received during the application period<br><br># of businesses that begin the program | Subrecipient Monthly Report - Will include the list of businesses that applied to the programs.<br><br>Evidence of the acceptance letter sent by email to Applicants.  | Total of 260 applications received during the life of the SRA.<br><br>Total of 260 businesses begin the program. | Progressive achievement towards target.<br><br><b>Startup Incubation &amp; Support Incubation (240):</b><br>80 by the end of year 2022.<br>80 additional businesses participants by the end of 2023. |

oIRC

WORR  
 WORR

|  |  |  |  |  |   |
|--|--|--|--|--|---|
|  |  |  |  |  | 80 additional participants businesses by the end of February 2024.<br><b>Accelerator (20):</b><br>6 by the end of year 2022.<br>7 additional businesses participants by the end of 2023.<br>7 additional participants businesses by the end of February 2024. |
|  | 1.3 Successful completion of incubation or acceleration program. | % of businesses who complete the program | Complete participants profiles in the Participants Information portal (SOR). | At least 70% (182) participants by the end of the SRA. | <b>Startup Incubation &amp; Support Incubation (168):</b><br>56 participants businesses receiving program certifications by the end of 2022.<br>56 participants businesses receiving certifications granted by the  |

aIRC

WARR  
 WARR

|  |  |  |  |  |   |
|--|--|--|--|--|---|
|  |  |  |  |  | end of year 2023.<br>56 participants businesses receiving certifications granted by the end of February 2024.<br><b>Accelerator (14):</b><br>5 participants businesses receiving program certifications by the end of 2022.<br>5 participants businesses receiving certifications granted by the end of year 2023.<br>4 participants businesses receiving certifications granted by the end of February 2024. |
|--|--|--|--|--|---|

o/RC

WORR  
WORR

### 3.1.1 KEY ACTIVITY: OUTREACH EFFORTS TO SOCIALIZE THE PROGRAM

This activity should capture all outreach efforts to socialize the program and should include all pertinent information to inform the public about the program, what is being offered, what the requirements are, and how to apply. This task is expected to be recurring throughout the life of the SRA, based on the program's schedule or calendar. The outreach efforts to socialize the program are initiated when approved marketing or outreach materials, events, or activities are produced and disseminated to the public.<sup>1</sup> The task is considered complete when the approved marketing and outreach materials, events, or activities have been adequately responded to.

- Report the number of outreach activities in the defined outreach and marketing period.

Progress made towards these activities should be included in the monthly reporting to PRDOH that is required of the subrecipient.

### 3.1.2 KEY ACTIVITY: ENGAGE BUSINESSES AND POTENTIAL BUSINESSES TO SIGN UP FOR THE PROGRAM

This activity should capture any engagement with businesses and potential businesses who sign up for the program and should include all pertinent information from program applicants. This task is expected to be recurring throughout the life of the SRA based on the program's schedule or calendar. The task is considered complete when all applications that have been received and all accepted applicants begin their participation in the program.

- Report the number of applications received during the application period.
- Report the number of businesses who enrolled and begin the program.

Progress made towards these activities should be included in the monthly reporting to PRDOH that is required of the program participant.

### 3.1.3 KEY ACTIVITY: COMPLETION OF SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

This activity should capture information as it relates to the completion of the Small Business Incubators and Accelerators Program by accepted businesses. This task is expected to be recurring throughout the life of the SRA

---

<sup>1</sup> Outreach materials must be approved or follow guidelines provided by the Program (and PRDOH Communications team) prior to publication.

oIRC

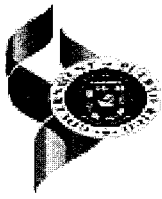
WARR  
WARR

based on the program's schedule or calendar. The task is considered complete when participants businesses received the incubation or acceleration certificate.

- Report the percentage of businesses enrolled who complete the program.

Progress made towards these activities should be included in the monthly reporting to PRDOH that is required of the subrecipient.

**END OF DOCUMENT**



# EXHIBIT C

## KEY PERSONNEL

### SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

#### BOYS & GIRLS CLUBS OF P.R., INC.

oIRC

WDRR  
WDRR

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

I.

| Roles                                    | FE Count |
|--|----------|
| Project Makers Managing Director         | 1        |
| Project Makers Chief of Operations (COO) | 1        |
| Communications Specialist                | 1        |
| Accelerate Program Director              | 1        |
| Support Program Director                 | 1        |
| Alumni Program Director                  | 1        |
| Business Analysts                        | 5        |
| Administrative Coordinator               | 1        |
| Compliance Officer                       | 1        |
| Graphic Designer                         | 1        |

II. Roles Description:

| Role                             | Description  |
|----------------------------------|--|
| Project Makers Managing Director | This person is the day-to-day leader of the program and will lead the investment activities and the educational and mentorship programs. Potential tasks include: Developing long-term vision and strategy, identifying implementation steps, communicating vision and strategy to team and community, formulating business objectives and making strategic decisions, managing the recruitment of team members, managing relations with Advisory Board, developing strategic and funding partnerships, manage investor relations, lead marketing and outreach, maintain |

aIRC

WDRR  
WDRR

|   |   |
|---|---|
|   | community relations, and manage entrepreneur recruitment. A key role will be attracting investment partners (investment firms, grant-making organizations, etc.) to fund the private venture capital fund that will help sustain program operations and launch businesses. The CEO will also manage and develop relationships with Accelerators across Puerto Rico and the world to provide access to investor and consumer markets for Project Makers participants.  |
| <b>Project Makers Chief of Operations (COO)</b> | This person's main tasks will include: supporting the CEO, sustaining the day-to-day operations of the accelerator, supporting the teams in their needs, either through direct assistance or, more probably, by connecting to appropriate resources, documenting and standardizing repeatable and predictable processes, manage human resources, supervise compliance, represent the CEO and Project Makers in meetings and events, and search for and pursue alliances to further the mission of Project Makers. |
| <b>Communications Specialist</b>                | Will support internal and external communications of Project Makers and participants' needs.  |
| <b>Accelerate Program Director</b>              | This person will oversee the Social Impact Acceleration Program of Project Makers. Will provide logistical and operational support and oversight to the program resources and participants. Continually revise and maintain a flexible curriculum aligned with current best practices.  |
| <b>Support Program Director</b>                 | This person will oversee the Support Program. Responsibilities will include organizing programs and services for small business owners. This includes aid, counseling, assistance, and protecting small business owners' business concerns.   |
| <b>Alumni Program Director</b>                  | This person will serve as a resource for participants after they finish Startup, Accelerate, or Support Programs. He/She will create programs and services to create and maintain a collaborative community between participants.   |
| <b>Business Analysts</b>                        | Will be responsible for providing individualized attention to the participant's needs in all programs of Project Makers.  |
| <b>Administrative Coordinator</b>               | Will be assisting in the coordination of resources and supporting the operation's day-to-day activities.  |
| <b>Compliance Officer</b>                       | Will be supporting Project Makers in the documentation process of the program and gathering information for the invoicing process.  |
| <b>Graphic Designer</b>                         | Will be supporting the participants and program needs for graphic designing.  |

**END OF DOCUMENT**

aIRC

WDRR  
WDRR



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF HOUSING

## **EXHIBIT D – SECTION 1**

### **BUDGET**

#### **SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM**

#### **BOYS & GIRLS CLUBS OF P.R., INC.**

#### **DESCRIPTION OF SERVICES**

The Boys & Girls Clubs of Puerto Rico (BGCPR) Vimenti Small Business Incubator and Accelerator, named Project Makers, has a mission to reduce child poverty and promote economic mobility in Puerto Rico (PR) by helping individuals and companies harness the tools of entrepreneurship to make a social and economic impact in marginalized communities. The facility and program are located at the Vimenti campus of BGCPR, in the Ramos Antonini neighborhood adjacent to the Mall of San Juan. The power of Project Maker's approach emanates from a design that embraces integrated, side-by-side, business startup and support services with programs for (1) low-income individuals and (2) teams of entrepreneurs committed to developing anti-poverty products and services. This two-population approach supports wealth creation in impoverished communities by integrating the needs and resources of disadvantaged communities in San Juan with global resources, networks, capital, and solutions.

Project Makers is designed around a four-stage continuum of services—Startup, Support, Accelerate, and Alumni—that supports businesses through stages of development. Programming is tailored for businesses started by low-income individuals and businesses started to alleviate poverty among low-income individuals. There will be no participant fees for any of the four core Project Makers programs.



oIRC

WORR  
 WORR

**STAFFING**

| Position                                 | Qty. of Resources [A] | Estimated Months Needed [B] | Estimated Hours per month per Resource [C] | Maximum Hourly Rate [D] | Estimated Monthly Cost [E=AxCxD] | Cost of Staff Position [F=BxE] |
|--|-----------------------|-----------------------------|--|-------------------------|----------------------------------|--------------------------------|
| Project Makers Managing Director         | 1                     | 27                          | 160  | \$60.31                 | \$ 9,649.60                      | \$ 260,539.20                  |
| Project Makers Chief of Operations (COO) | 1                     | 9                           | 160  | \$42.38                 | \$ 6,780.80                      | \$ 61,027.20                   |
|  |                       | 12                          | 160  | \$56.90                 | \$ 9,104.00                      | \$ 109,248.00                  |
| Communications Specialist                | 1                     | 12                          | 160  | \$31.51                 | \$ 5,041.60                      | \$ 60,499.20                   |
| Accelerate Program Director              | 1                     | 9                           | 160  | \$24.46                 | \$ 3,913.60                      | \$ 35,222.40                   |
|  |                       | 12                          | 160  | \$38.90                 | \$ 6,224.00                      | \$ 74,688.00                   |
| Support Program Director                 | 1                     | 12                          | 160  | \$31.51                 | \$ 5,041.60                      | \$ 60,499.20                   |
| Alumni Program Director                  | 1                     | 9                           | 160  | \$24.46                 | \$ 3,913.60                      | \$ 35,222.40                   |
|  |                       | 12                          | 160  | \$31.51                 | \$ 5,041.60                      | \$ 60,499.20                   |
| Business Analysts                        | 5                     | 12                          | 160  | \$29.38                 | \$ 23,504.00                     | \$ 282,048.00                  |
| Administrative Coordinator               | 1                     | 12                          | 160  | \$16.00                 | \$ 2,560.00                      | \$ 30,720.00                   |
| Compliance Officer                       | 1                     | 12                          | 160  | \$25.00                 | \$ 4,000.00                      | \$ 48,000.00                   |
| Graphic Designer                         | 1                     | 12                          | 160  | \$20.00                 | \$ 3,200.00                      | \$ 38,400.00                   |
| <b>Total Maximum Cost:</b>               |                       |                             |  |                         | <b>\$ 87,974.40</b>              | <b>\$ 1,156,612.80</b>         |

**REMAINDER OF PAGE INTENTIONALLY LEFT IN BLANK**

oIRC

**PROFESSIONAL SERVICES**

*WDRR*  
 WDRR

| Services Name   | Services Description  | Budget               |
|---|---|----------------------|
| Mentors and coaches                                     | Mentors and coaches for Startup, Support, and Accelerate programs. Variable hours per year, at \$80 per hour, as described in budget narrative. Includes set aside for travel costs.  | \$ 369,169.00        |
| Entrepreneurial Educational and Coaching Services       | In charge of implementing the Startup programming elements of our SBIA model. This includes an educational and coaching element.  | \$ 140,000.00        |
| Program Outreach  | Variable program outreach budget per year to recruit for Startup, Support, and Accelerate programs.   | \$ 50,000.00         |
| Individualized professional services for new businesses | Includes costs for separate legal, accounting, marketing or other professional services. These services will be directly for program participants who will need these services to successfully launch or accelerate their business. We have budgeted a yearly cost for hourly services via independent consultants, which will be at variable rates depending on the services needed. For purposes of budgeting we have selected a blended rate of \$100 per hour, with the knowledge that such rates will vary for the individual service provider based on the specific services needed by the participating individuals and their business needs. We anticipate the professional services contracts may be awarded to MWBEs, to qualify for our 20% MWBE spending requirement. | \$ 29,806.66         |
| Interior Designer                                       | To reconfigure layout and furnishing for new Project Makers facility.   | \$ 10,000.00         |
| Communications Services                                 | Contract with communications consultant to assist with strategic positioning, program outreach, materials design, and program awareness. To enhance the success of Accelerate programming especially.   | \$ 50,000.00         |
| <b>Total Budget for Services to be Contracted:</b>      |   | <b>\$ 648,975.66</b> |

**REMAINDER OF PAGE INTENTIONALLY LEFT IN BLANK**

oIRC

WOPR  
WOPR

**OTHER OPERATING/OTROS GASTOS OPERACIONALES**

| Item Name/Articulo                               | Item Description/Descripcion   | Budget/Presupuesto   |
|--|--|----------------------|
| Staff travel                                     | Mileage reimbursement and off-Island professional development and recruitment events for program staff and participants.   | \$ 50,000.00         |
| Program Delivery Supplies                        | These are supplies for the delivery of the Start Up, Support, Accelerate, and Alumni programming. This will include items such as curriculum readers and materials for set programming (such as the 8-week start up workshops), materials used by program participants for assignments or achievement of their individualized start up plans (such as materials to assemble product portfolios, make presentations to investors, conduct team meetings), and supplies needed for program events (such as for speakers, investor roundtables and pitch days, and alumni programming). | \$ 25,000.00         |
| Demo day materials                               | Supplies and materials for Demo Day and other participant activities, such as community graduation events. This will include items like reusable signs, materials for graduates and the public, certificates of completion, printing costs of pitch presentations and capstone projects, etc.  | \$ 40,000.00         |
| Startup Weekends and Community Training Sessions | Community training sessions and three start up weekends annually as part of expanded programs for supporting new business. The startup weekends will allow entrepreneurs to participate in a full weekend of "boot camp" style trainings where at the end of the weekend the participant has a complete business plan.   | \$ 120,000.00        |
| Subscriptions                                    | Subscription services for database platforms, software needed to run the program.  | \$ 8,000.00          |
| Rent   | Rent of temporary office space to operate Project Makers program.  | \$ 36,000.00         |
| Utilities  | To be able to pay for water, electricity and internet service to operate in a daily basis at the temporary space.  | \$ 24,000.00         |
| Indirect costs                                   | We recognize that we have never received a negotiated indirect cost rate with a federal agency. We elect to take the de minimis rate of 10% of modified total direct costs, which may be used indefinitely, in accordance with Federal cost principles established in 2 CFR part 200 subpart E.  | \$ 207,258.00        |
| <b>Total Expenses Budget/Gastos Totales:</b>     |  | <b>\$ 510,258.00</b> |

## EQUIPMENT/EQUIPO

aIRC

WORR  
WORR

| Item Name/Artículo                           | Item Description/Descripción  | Budget/Presupuesto   |
|--|---|----------------------|
| Technological Equipment                      | Include computers, tablets, cameras, and projectors for staff and participants use at site.   | \$ 21,237.00         |
| Office equipment                             | Office desks, chairs for staff and guests, conference space, stools for co-working areas, working tables for conference rooms. Equipment for out of the office presentations. | \$ 54,840.20         |
| Modular station areas                        | For office co-working hub.  | \$ 8,400.00          |
| File cabinets                                | File cabinets for the staff and office co-working hub.  | \$ 9,100.00          |
| TVs for conference centers                   | For office co-working space, for presentations.   | \$ 12,600.00         |
| Conference furniture                         | For conference rooms at the co-working hub, such as bookstands, whiteboards, sofas and tables.  | \$ 19,221.34         |
| <b>Total Expenses Budget/Gastos Totales:</b> |   | <b>\$ 125,398.54</b> |

| PROJECT ACTIVITY DELIVERY COSTS/COSTOS DIRECTOS DEL PROYECTO |   |                        |
|--|---|------------------------|
| Staff/Personal   | Direct services staff for the program.  | \$ 1,156,612.80        |
| Professional Services  | Cost associated to mentors and coaches, Entrepreneurial Educational and Coaching Services, Marketing, Misc. professional services, interior designer and Communications Services. | \$ 648,975.66          |
| Other Operating  | Includes: indirect costs, materials, supplies, training sessions, subscriptions, rent, utilities and staff travel.  | \$ 510,258.00          |
| Equipment  | See budget detail for list of equipment.  | \$ 125,398.54          |
| <b>TOTAL COSTS/COSTO TOTAL</b>                               |   | <b>\$ 2,441,245.00</b> |
| <b>GRAND TOTAL/GRAN TOTAL</b>                                |   | <b>\$ 2,441,245.00</b> |

END OF DOCUMENT



aIRC

WARR  
WARR

## EXHIBIT F

### HUD GENERAL PROVISIONS AND OTHER FEDERAL STATUTES, REGULATIONS, AND PRDOH REQUIREMENTS

#### SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

#### BOYS & GIRLS CLUBS OF P.R., INC.

Given that the Subrecipient Agreement (**SRA**) involves funds for which the U.S. Department of Housing and Urban Development (**HUD**) is the oversight agency, the following terms and conditions may apply to this SRA. In addition, SUBRECIPIENT shall comply with the Federal Labor Standards Provisions set forth in Form HUD-4010, available at <https://www.hudexchange.info/resource/2490/hud-form-4010-federal-labor-standards-provisions/>.

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

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

#### General Provisions:

##### 1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

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

##### 2. STATUTORY AND REGULATORY COMPLIANCE

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

##### 3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

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

oIRC

WORR  
WORR

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

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

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

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

#### **6. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT**

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

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

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

aIRC

WORR  
WORR

## 8. CONFLICTS OF INTEREST

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

## 9. SUBCONTRACTING

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

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

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

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

## 10. ASSIGNABILITY

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

## 11. COPELAND "ANTI-KICKBACK" ACT (Applicable to all construction or repair contracts)

Salaries of personnel performing work under this SRA shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland

oIRC

WORR  
WORR

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

## **12. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**

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

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

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

## **13. DAVIS-BACON ACT**

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

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

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

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

## **14. TERMINATION FOR CAUSE**

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

If, through any cause, the SUBRECIPIENT shall fail to fulfill in a timely and proper manner his or her obligations under this SRA, or if the SUBRECIPIENT shall violate any of the covenants, agreements, or stipulations of this SRA, the PRDOH shall thereupon have the right to terminate this SRA by giving written notice to the SUBRECIPIENT of such termination and specifying the effective date thereof, at least **five (5) days** before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the SUBRECIPIENT under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the SUBRECIPIENT shall be entitled to



aIRC

WDRR  
WDRR

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.

**15. TERMINATION FOR CONVENIENCE**  
**(Applicable to contracts exceeding \$10,000)**

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

**16. SECTION 503 OF THE REHABILITATION ACT OF 1973**  
**(Applicable to contracts exceeding \$10,000)**

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

Equal Opportunity for Workers with Disabilities:

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

aIRC

WORR  
WORR

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

#### **17. EQUAL EMPLOYMENT OPPORTUNITY**

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

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

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

- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion,

oIRC

WORR  
WORR

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.

aJRC

WORR  
WORR

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

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

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

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

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

The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 *et seq.*, and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B and Ch. I, Subch. C, Pt. 93, Subpt. B, as amended, Section 508 of the Federal Water Pollution Control Act (33 U.S.C. § 1368) and Executive Order 11738 of September 10, 1973.

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

- 1) A stipulation by the SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to Ch. I, Subch. C, Pt. 93, Subpt. B or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Ch. I, Subch. C, Pt. 60, Subpt. B, as amended.

aIRC

WDRR  
WDRR

- 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.

## 20. ANTI-LOBBYING

### (Applicable to contracts exceeding \$100,000)

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

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

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

oIRC

WORR  
WORR

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

## **21. BONDING REQUIREMENTS**

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

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

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

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

- A. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- C. The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

oIRC

WARR  
WARR

- D. The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
- E. The SUBRECIPIENT acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contracting requirements of 24 C.F.R. 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.
- F. The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 75.
- G. Noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- H. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (46 U.S.C. § 5307) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- I. The SUBRECIPIENT agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

### **23. FAIR HOUSING ACT**

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

aIRC

WORR  
WORR

## 24. ENERGY POLICY AND CONSERVATION ACT

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

## 25. POLITICAL ACTIVITY

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

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

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

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

## 26. HEALTH AND SAFETY STANDARDS

All parties participating in this project agree to comply with Sections 3702 and 3704 (a) of the Contract Work Hours and Safety Standards Act (CWHSSA), 40 U.S.C. §§ 3702 and 3704. Section 3704 (a) of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions, which are unsanitary, hazardous, or dangerous to his or her health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to a contract to acquire a commercial product (as defined in 41 U.S.C. § 103) or a commercial service (as defined in 41 U.S.C. § 103a).

## 27. PERSONNEL

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



oJRC

WDRR  
WDRR

## **28. WITHHOLDING OF WAGES**

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

## **29. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES**

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

## **30. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS**

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

## **31. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS**

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

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

aIRC

WORR  
WORR

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

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

### **33. INTEREST OF SUBRECIPIENT**

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

### **34. RELIGIOUS ACTIVITY**

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

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

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

### **36. LEAD BASED PAINT**

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

### **37. VALUE ENGINEERING**

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

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

### **38. GENERAL COMPLIANCE**

The SUBRECIPIENT shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the SUBRECIPIENT does not assume any of the

aIRC

WORR  
WORR

PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. Part 58 and (2) the SUBRECIPIENT does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. Part 52.

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

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

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

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

### **39. DUPLICATION OF BENEFITS**

The SUBRECIPIENT shall not carry out any of the activities under this Agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5155 and described in Appropriations Act. The SUBRECIPIENT must comply with HUD's requirements for duplication of benefits, imposed by Federal Register notices on the PRDOH, which are published in a separate notices entitled: "Clarification to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (Wednesday, November 16, 2011, 76 FR 71060); "Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees" (Thursday, June 20, 2019, 84 FR 28836); and "Applicability of Updates to Duplication of Benefits Requirements Under the Stafford Act for

oIRC

WORR  
WORR

Community Development Block Grant (CDBG) Disaster Recovery Grantees," (Thursday, June 20, 2019, 84 FR 28848). The SUBRECIPIENT shall carry out the activities under this Agreement in compliance with PRDOH's procedures to prevent duplication of benefits.

#### **40. DRUG-FREE WORKPLACE**

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

#### **41. HOLD HARMLESS**

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

#### **42. PRDOH RECOGNITION**

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

#### **43. LOGOS CLAUSE**

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

#### **44. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS**

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

aIRC

WORR  
WORR

#### 45. FINANCIAL & PROGRAM MANAGEMENT

The SUBRECIPIENT shall expend and account for all CDBG-DR funds received under this Agreement in accordance with 2 C.F.R. § 200.302 and 2 C.F.R. § 200.303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

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

#### 46. DOCUMENTATION AND RECORDKEEPING

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

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

#### 47. ACCESS TO RECORDS

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

#### 48. RECORD RETENTION AND TRANSMISSION OF RECORDS TO THE PRDOH

The SUBRECIPIENT shall retain all official records on programs and individual activities shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 applies to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion

aIRC

WDRR  
WDRR

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).)

Records shall be made available to PRDOH upon request.

#### **49. CLIENT DATA AND OTHER SENSITIVE INFORMATION**

In the event that the SUBRECIPIENT comes to possess client data and other sensitive information as a result of this Agreement, then the SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to PRDOH monitors or their designees for review upon request.

The SUBRECIPIENT must comply with 2 C.F.R. § 200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.1, and other information HUD or the PRDOH designates as sensitive or the SUBRECIPIENT considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. Additionally, the SUBRECIPIENT must comply with the *PRDOH CDBG-DR Personally Identifiable Information, Confidentiality, and Nondisclosure Policy*, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/download/personally-identifiable-information-confidentiality-and-nondisclosure-policy/>), which is herein included and made integral part of this Agreement, as it may be updated from time to time

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

#### **50. CLOSE-OUT**

The SUBRECIPIENT's obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term is defined in Section VI (A)(19) of the HUD Notice 83 FR 5844, 5856 (February 9, 2018, as may be amended by HUD)), balances, and accounts receivable to the PRDOH), determining the custodianship of records, and the SUBRECIPIENT certification of compliance with the terms of this Agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG-DR funds, including Program Income.

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

aIRC

WORR  
WORR

## 51. AUDITS AND INSPECTIONS

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

## 52. SINGLE AUDIT

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

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

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

## 53. INSPECTIONS AND MONITORING

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

## 54. CORRECTIVE ACTIONS

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

aIRC

WORR  
WORR

## 55. PROCUREMENT AND CONTRACTOR OVERSIGHT

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

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

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

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

The SUBRECIPIENT shall maintain oversight of all activities under this Agreement and shall ensure that for any procured contract or Agreement, as applicable, its contractors perform according to the terms and conditions of the procured contracts or Agreements, and the terms and conditions of this Agreement.

## 56. NONDISCRIMINATION

The SUBRECIPIENT shall comply with 24 C.F.R. Part 6, which implements the provisions of Section 109 of Title I of the Housing and Community Development Act of 1974, 42 U.S.C. § 5309. Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation



aIRC

WORR  
WORR

in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

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

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

#### **57. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT**

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

The Architectural Barriers Act of 1968, 42 U.S.C. §§ 4151-4156, requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 C.F.R. § 40.2 or the description of "facilities" in 41 C.F.R. § 102-76.60 are subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 C.F.R. Part 40 for residential structures, and 41 C.F.R. Subt. C, Ch. 102, for general type buildings).

The Americans With Disabilities Act of 1990 ("ADA"), 42 U.S.C. § 12101 *et seq.* (**ADA**), provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

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

oIRC

WDRR  
WDRR

## 58. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (24 C.F.R. PART 1)

### 1) General Compliance:

The SUBRECIPIENT shall comply with the requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*, and 24 C.F.R. § 570.601 and § 570.602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement. The specific nondiscrimination provisions at 24 C.F.R. § 1.4 apply to the use of these funds. The SUBRECIPIENT shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by Title VI of the Civil Rights Act of 1964 or 24 C.F.R. Part 1, or because he or she has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 C.F.R. Part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 2 C.F.R. Part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

### 2) Assurances and Real Property Covenants:

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the SUBRECIPIENT assures that the program or activities described in this Agreement shall be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided shall be operated and administered in compliance with all requirements imposed by or pursuant to this 2 C.F.R. Part 1.

If the Federal financial assistance under this Agreement is to provide or is in the form of personal property or real property or interest therein or structures thereon, the SUBRECIPIENT's assurance herein shall obligate the SUBRECIPIENT or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer. In all other cases the assurance shall obligate the SUBRECIPIENT for the period during which Federal financial assistance is extended pursuant to the contract or application.

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

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

If the SUBRECIPIENT receives real property interests or funds or for the acquisition of real property interests under this Agreement, to the extent that rights to space on,

aIRC

WDRR  
WORR

over, or under any such property are included as part of the program receiving such assistance, the nondiscrimination requirements of this part 1 shall extend to any facility located wholly or in part in such space.

**3) Women- and Minority-Owned Businesses (W/MBE)**

The SUBRECIPIENT shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (6) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the SUBRECIPIENT procures property or services under this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, 15 U.S.C. § 632 (a), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

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

**4) Notifications**

The SUBRECIPIENT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the SUBRECIPIENT's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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

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

**59. LABOR STANDARDS**

The SUBRECIPIENT shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, 42 U.S.C. § 5310, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this Agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, 40 U.S.C. § 3141 *et seq.*, and 29 C.F.R. Part 1, 3, 5, 6, and 7, provided,

aIRC

WDRR  
WDRR

that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than eight (8) units.

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

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

## 60. CONDUCT

### 1) Contracts

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

### 2) Conflict of Interest

The SUBRECIPIENT agrees to abide by the provisions of 2 C.F.R. Part 200, as applicable, and 24 C.F.R. § 570.611, which include (but are not limited to) the following:

- a. It is presumed that the SUBRECIPIENT is subject to state and local ethic laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this Agreement.
- b. In the event the SUBRECIPIENT is not, the SUBRECIPIENT shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this Agreement. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial

ajrc

WORR  
WORR

- or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or Parties to sub Agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the CDBG-DR assisted activity, or with respect to the proceeds from the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of **one (1) year** thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the SUBRECIPIENT, or any designated public agency.
- d. Clause of Governmental Ethics Certification of Absence of Conflict of Interests - The SUBRECIPIENT certifies that: (1) No public servant of the PRDOH has pecuniary interest in this contract. (2) No public servant of the PRDOH has solicited or accepted, directly or indirectly, for him (her), for any member of his (her) family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. (3) No public servant of the PRDOH related to this transaction, asked for or accepted any good of economic value, from any person or organization as payment for the duties and responsibilities of his employment. (4) No public servant of the PRDOH has solicited, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his (her) obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the PRDOH has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement.

#### **61. CITIZEN GRIEVANCES**

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

#### **62. TECHNICAL ASSISTANCE AND TRAININGS**

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

aIRC

WORR  
WORR

### **63. DISASTER RELIEF ACCOUNT**

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

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

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

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

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

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

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

Employers must comply with the 29 CFR 1910 General Obligations Clause of the OSH Act. This clause requires employers to maintain their workplaces free from serious recognized

aIRC

WORR  
WORR

hazards. This includes the adoption of safety and health guidelines and the subsequent training of the employer's workforce in these.

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

**END OF DOCUMENT**



dIRC

WORR  
WORR

## EXHIBIT H

# SUBROGATION AND ASSIGNMENT PROVISIONS

## SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

### BOYS & GIRLS CLUBS OF P.R., INC.

#### 1. General Provisions.

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

#### 2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing – Small Business Incubator and Accelerators Program.

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



aIRC

WDRR  
WDRR

reimbursement and all payments received or subsequently received from any grant, loan, insurance policy or policies of any type (each individually, a "**Policy**" and collectively, the "**Policies**"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("**FEMA**"), insurance payments, or any other federal, state or local government agency (each, individually, a "**Disaster Program**" and collectively, the "**Disaster Programs**") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or its designated agent, to be a duplication of benefits ("**DOB**"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "**Proceeds**"; any Proceeds that are determined to be a DOB shall be referred to herein as "**DOB Proceeds**".

- d) Subrecipient agrees that, in the event that Subrecipient receives additional Proceeds related to disaster recovery that are not listed on the Duplication of Benefits Certification submitted in connection with the Application, Subrecipient will notify the PRDOH within **ten (10) working days** of receipt of the funds by sending a written notification to [EcoRecCDBG@vivienda.pr.gov](mailto:EcoRecCDBG@vivienda.pr.gov). PRDOH will, in turn determine, in its sole discretion, if such Proceeds constitute DOB Proceeds. If any of the Proceeds are determined to be DOB Proceeds, the Subrecipient shall pay PRDOH the DOB Proceeds, to be disbursed as provided in Section 3 of this Agreement.

### 3. Cooperation and Further Documentation.

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

oIRC

WORR  
WORR

and/or any rights thereunder. Subrecipient further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.

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

#### 4. Agreement to Turn Over Proceeds; Future Reassignment.

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

Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.

oJRC

WORR  
WORR

- (iv) If the PRDOH makes the determination that Subrecipient does not qualify to participate in the Program or Subrecipient decides not to participate in the Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.
- c) Once PRDOH has recovered an amount equal to the Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH pursuant to these provisions.

**5. Miscellaneous.**

- a) Subrecipient hereby represents that all statements and representations made by Subrecipient regarding any Proceeds are true and correct, as of the date of the issuance of the Grant Proceeds.
- b) In any proceeding to enforce these provisions, PRDOH shall be entitled to recover all costs of enforcement, including PRDOH's attorney fees.
- c) The parties hereto each waive the right to have any judicial proceeding concerning any of the provisions hereof tried by a jury.
- d) Neither these provisions, nor any portion or provisions hereof may be changed, waived, or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by all parties hereto and approved by PRDOH.
- e) These provisions, and the rights and obligations of the parties shall be governed and construed in accordance with federal law and the laws of the Government of Puerto Rico without giving effect to conflict of law provisions. Any action arising out of or related to this Subrogation and Assignment provisions shall be brought within the Government of Puerto Rico.
- f) The captions of the various sections of this Subrogation and Assignment provisions have been inserted only for the purpose of convenience; such captions are not a part of the Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any provisions of this Subrogation.
- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement is punishable under State and Federal law (18 U.S.C. 287, 1001 and 31 U.S.C. 3729), and shall constitute a separate criminal offense each time a public benefit is fraudulently received.

dlRC

WDRR  
WDRR

- h) Subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DR funds under the Program or any other of the PRDOH's Programs.

**END OF DOCUMENT**



**EXHIBIT I**

**NON-CONFLICT OF INTEREST CERTIFICATION**

oIRC

WORR  
WORR

**BOYS & GIRLS CLUBS OF P.R., INC.**

The CONTRACTOR/SUBRECIPIENT certifies that:

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

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

*Or*

\_\_\_\_\_  
Signature

10/30/2023

\_\_\_\_\_  
Date

Olga I. Ramos Carrasquillo

\_\_\_\_\_  
Printed Name

President

\_\_\_\_\_  
Position