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**PROFESSIONAL SERVICES AGREEMENT
FOR
DISASTER RECOVERY STRATEGIC AND COMPLIANCE SERVICES ASSISTANCE
AFTER HURRICANES IRMA AND MARÍA**

by and between

THE PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

and

DELOITTE & TOUCHE LLP

Dated as of June 7, 2018

**PROFESSIONAL SERVICES AGREEMENT
FOR
DISASTER RECOVERY STRATEGIC AND
COMPLIANCE SERVICES ASSISTANCE
AFTER HURRICANES IRMA AND MARÍA**

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This Professional Service Agreement (the “Agreement”) for Strategic and Compliance Service is made and entered into as of this 7th day of June 2018 by and between the PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY, a public corporation of the Government of Puerto Rico, created and authorized to enter into this Agreement by Act No. 29-2009, as amended (the “Authority”), on behalf of the Central Recovery and Reconstruction Office of Puerto Rico (the “CRRO”), a division of the Authority, and DELOITTE & TOUCHE LLP, a limited liability partnership organized and existing under the laws of New York with Employer Identification Number _____ (together with its successors and permitted assigns, the “Provider” and together with the Authority, the “Parties”).

RECITALS

WHEREAS, the Authority, by virtue of the powers conferred to it under the Public-Private Partnerships Act, Act No. 29-2009, as amended (“Act 29”), is authorized to engage professional, technical and consulting services that are necessary and convenient to the activities, projects, and operations of the CRRO.

WHEREAS, on February 12, 2018, the CRRO issued a “Request for Proposals for Disaster Recovery Strategic and Compliance Services Assistance After Hurricanes Irma and María” (the “RFP”), attached hereto and made a part hereof as **Appendix A**.

WHEREAS, the Provider responded to the RFP by submitting a proposal on February 22, 2018 (the “Proposal”), attached hereto and made a part hereof as **Appendix B**.

WHEREAS, after considering the Proposal, and evaluating the further needs of the CRRO, the Parties have agreed as to the services to be provided to the CRRO by the Provider.

WHEREAS, the Authority wishes to engage the Provider to provide the services detailed in the RFP (the “Services”).

WHEREAS, the Provider is willing to provide the Services to the CRRO as provided herein.

WHEREAS, CRRO is authorized to enter into this Agreement pursuant to Act No. 29-2009, Executive Order No. 2017-65 - Administrative Bulletin No. OE-2017-065, as amended by Executive Order 2017-069, Administrative Bulletin No. OE-2017-069, and Resolutions No. 2017-39 of the Board of Directors of the Authority.

NOW, THEREFORE, the Authority and the Provider agree to enter into this Agreement under the following:

ARTICLE I
PURPOSE OF AGREEMENT; TERM



Section 1.1. Purpose of Agreement. The Authority engages the Provider to provide advice and assistance to the Authority for the Services awarded through the Notice of Award dated March 6, 2018 and detailed in the Proposal received on February 22, 2018, in response to the RFP issued February 12, 2018. In the event that the Authority desires to engage the Provider to advise the Authority in any other matter that is not part of the Proposal, the Parties shall negotiate in good faith a separate agreement with respect to such mandate.

Section 1.2. Effective Date and Initial Term. This Agreement shall be in effect from the date of its execution until June 30, 2021 (the "Expiration Date"), provided that the Expiration Date may be extended by amendment executed in writing by both Parties. Notwithstanding the foregoing, the aforementioned term should be limited to three (3) periods of twelve (12) calendar months, and each period shall be considered automatically renewed once the Authority includes the annual disbursements set forth in the Authority's annual budget.

ARTICLE II
SCOPE OF SERVICES; KEY PERSONNEL; SUBCONTRACTING

Section 2.1. Scope of Services. Subject to the terms and conditions of this Agreement, the Provider's services will be consistent with the provision of the deliverables or services described below to include the following:

- (a) Organizational Assistance and Governance
 - (i) Provide support related to the formulation of the needed organization and budget structure to sustain the overall recovery efforts.
 - (ii) Assess the resources to perform workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies.
 - (iii) Provide and/or identify training for staff in the area of detection and prevention of fraud, waste and abuse.
 - (iv) Provide support to assist the CRRO in complying with and implementing the requirements set forth in the Bipartisan Budget Act of 2018 that are related to disaster and recovery matters.
 - (v) Develop a short, medium, and long-term recovery strategies and plan.
 - (vi) Improve use of federal funding to assist with recovery efforts including assistance in the identification of opportunities to identify grants to meet government recovery funding requirements.
 - (vii) Provide knowledge and skill associated with developing a framework for reconstruction that incorporates resiliency measures to build to a risk-adjusted level.

- (viii) Provide knowledge and skill associated with the environmental review and permitting process with opportunities for accelerated review where appropriate.
- (ix) Provide knowledge and skill associated with procurement and delivery best practices and lean construction practices

(b) Establishment of Processes, Procedures, and Controls

- (i) Formulate and establish procedures to manage the grants in accordance with United States Federal Government ("Federal") and the acts and regulations of Puerto Rico.
- (ii) Development of processes, controls and technologies to support the execution of the following FEMA-administered programs: Public Assistance, Hazard Mitigation, and Individual Assistance; HUD-administered Community Development Block Grant (CDBG) program; and other Federal and Puerto Rico grant and assistance programs in compliance with Federal and Puerto Rico guidance.
- (iii) Map the flow of documentation and requirements, and related policies and procedures required for transparent program administration of disaster recovery funds.
- (iv) Conduct compliance tasks and formulate processes to confirm that Federal and Puerto Rico funds have been accounted for in accordance to grant requirements.
- (v) Provide assistance for designing internal controls, improve existing internal controls, and establish reporting tools.
- (vi) Provide assistance related to the management and of funds requested and received.
- (vii) Participate in meetings with Federal grant agencies as required by CRRO.
- (viii) Develop a Compliance Sanctions Program for those applicants that fail to meet Federal and Puerto Rico program requirements.
- (ix) Formulate and assist with the implementation of required administrative and management action plans.
- (x) Formulate and assist with implementation of training for applicants to understand compliance requirements for federal grant funds.
- (xi) Conduct risk analysis and identify options for risk management for the Federal and Puerto Rico grant payment process.
- (xii) Provide services to reduce the reconciliation backlog for the Request for Reimbursements process.
- (xiii) Assess applicant agreements for compliance with federal regulations.
- (xiv) Review and improve procedures addressing reimbursement review backlog and financial management.
- (xv) Formulate the checklists necessary to assess whether applicant files are completed and in compliance with federal requirements.

- (xvi) Assist with account reconciliations necessary to control and report on existing project worksheet accounts, applicant balances, system interfaces, and other control balances.
- (xvii) Establish quality assurance/quality control reviews and assessments associated with the payments process to ensure that they are in compliance with Federal and Puerto Rico regulations and conform to industry's best practices.



(c) Financial Management and Auditing

- (i) Assist the CRRO to coordinate with other agencies of the government of Puerto Rico with develop a plan to link financial data to grant management tools.
- (ii) Provide assistance in the formulation of processes to draw down and manage federal funds.
- (iii) Provide assistance in formulating and implementing the reconciliation of funding to disbursements to bank accounts.
- (iv) Coordinate with other agencies of the government of Puerto Rico to ensure linkage between financial data and grant management tools.
- (v) Design and implement the processes and/or procedures for advances and reimbursements.
- (vi) Assist with design and execution of a process for monitoring fraud, waste and abuse.
- (vii) Develop and execute processes to request and track Puerto Rico management costs and direct administrative costs.
- (viii) Provide technical knowledge and expertise to assist in the integration of the Electronic Grants management program into the State finance and accounting system.
- (ix) Review and make recommendations to streamline the grant management and fiscal management processes and to ensure accountability of funds and compliance with Federal and State program regulations.
- (x) Provide tools to be utilized by Using Agencies for the assessment of the performance of the financial transaction processes.
- (xi) Ensure compliance with all applicable Federal and Puerto Rico accounting and financial reporting requirements.

(d) Reporting and Monitoring

- (i) Formulate and implement Federal and Puerto Rico specific financial reporting requirements.
- (ii) Prepare quarterly progress reports and other reports related to disaster funds as required.
- (iii) Retain all records, documents, and communications of any kind (including electronic disk or print form) that relate in any manner to

the award and performance of this Agreement, as required by Puerto Rico and Federal regulations.

- (iv) The Provider shall maintain all records related to services under this Agreement for a minimum period of six (6) years from the date of final payment. Such records shall be made available to the CRRO, for audit and review, upon request pursuant to Puerto Rico and Federal laws and regulations to applicable regulatory or governmental authorities for audit and review. Record retention beyond the six (6) year mark may be necessary and if so, will be directed by the Authority in writing.
- (v) Develop dashboards and reports that promote transparency, efficiency and accountability.
- (vi) Implement a risk based applicant monitoring process including the required Single Audit desk reviews and site visits required by Federal regulations, as well as monitoring for waste, fraud and abuse.
- (vii) Provide assistance with establishing disaster specific annual financial reports.
- (viii) Provide technical assistance as required to applicants.
- (ix) Formulate and perform a risk based applicant monitoring plan and methodology and perform desk and on-site analyses.
- (x) Assist in preparing Puerto Rico for third party audits and reviews including programmatic audits, inspector general audits, and the annual single audit.
- (xi) Assist with preparation of responses and corrective action plans for third party audits and reviews.
- (xii) Assist in providing reports to the Puerto Rico Fiscal Agency and Financial Advisory Authority, on as needed basis as requested by CRRO in connection to Puerto Rico existing and revised Fiscal Plans.
- (xiii) Develop anti-fraud metrics and analytics and reports.

(e) Close-Out

- (i) Provide assistance in the formulation and execution of project close-out procedures to close projects and Federal recovery grants in compliance with Federal close-out requirements.
- (ii) Provide assistance in project close-out tasks to applicants preparing close-out procedures.

(f) Deliverables Provider's deliverables shall consist of the following (the "Deliverables"):

- (i) Comprehensive reports on actions taken and advice given.
- (ii) Work papers and analysis providing information about the process used to develop reports.

- (iii) White papers on process limitations in existing programs or efficiencies to be gained (if any) after review.
- (iv) Discussion of any potential concerns from Federal agencies (*i.e.*, HUD) or findings, as well as a corrective plan of action.
- (v) Analysis and recommendations with regards to applicant's management.
- (vi) Quarterly reports on activities.
- (vii) Reporting and updating timelines.
- (viii) Project work plans, timeframes, and budget tools.
- (ix) Proposed system(s) and template(s) used to capture and report information.
- (x) The deliverables are complete only when presented in their entirety and only for the purpose stated therein.

Section 2.2. Advice and Recommendations. The Services to be provided may include advice and recommendations for the benefit of the Authority or the Government of Puerto Rico but Provider will not make any decisions on behalf of the Authority or the Government of Puerto Rico in connection with the implementation of such advice and recommendations nor will Provider provide any legal advice or address any questions of law. Neither the Services nor any Deliverables, in whole or in part, shall constitute a fairness of opinion.

Section 2.3. Key Personnel. The Provider's key personnel shall be comprised of the following:

(a) Kathryn Schwerdtfeger, Deloitte & Touche LLP, Engagement Partner, and Jose Sierra, Deloitte & Touche LLP, Local Project Director will direct the overall engagement team and serve as your primary points of contact for the Agreement.

(b) Greg Eaton, Deloitte & Touche LLP, and Mark Riley, Deloitte & Touche LLP will serve as the primary engagement managers managing the day to day activities for the engagement.

(c) The overall engagement team will include recovery, strategy, compliance, finance, grants, project formulation, data management, forensic, engineering and housing specialists as required by the scope of work. To support Puerto Rico's recovery efforts, we will utilize local and subcontracted resources to compliment the engagement team. However, circumstance may occur that could result in changes to our anticipated staffing for this engagement.

Section 2.4. Subcontracting. Except as otherwise set forth herein with respect to the Provider's affiliates and named subcontractors described in the Provider's proposal, the Provider shall not subcontract the services under this Agreement, or contract third-party experts or other persons to render the services under this Agreement, without prior written authorization from the Authority. A request to hire another service provider shall specify the issues in which the subcontracted provider would take part.

ARTICLE III
COMPENSATION

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Section 3.1. Professional Fees.

The Authority will compensate the Provider at the applicable hourly rates listed in the Professional Fees Schedule below for actual professional time incurred delivering the Services set forth in Section 2.1.

Labor Category	Hourly Rates		
	FY 2018-2019*	FY-2018-2019*	FY 2019-2020*
Engagement Partner	\$270.00	\$276.75	\$283.67
Engagement Director	\$270.00	\$276.75	\$283.67
Engagement Manager	\$243.00	\$249.08	\$255.30
Senior Area Manager	\$243.00	\$249.08	\$255.30
Area Manager	\$214.00	\$219.35	\$224.83
Area Senior Specialist	\$184.00	\$188.50	\$193.32
Area Specialist III	\$150.00	\$153.75	\$157.60
Area Specialist II	\$120.00	\$123.00	\$126.08
Area Specialist I	\$90.00	\$92.25	\$94.56
Technical Leadership	\$243.00	\$249.08	\$255.30
Technical Senior Analyst	\$184.00	\$188.50	\$193.32
Technical Analyst III	\$150.00	\$153.75	\$157.60
Technical Analyst II	\$120.00	\$123.00	\$126.08
Technical Analyst I	\$90.00	\$92.25	\$94.56
Administrative Support II	\$60.00	\$61.50	\$63.04
Administrative Support I	\$40.00	\$41.00	\$42.03

* Hourly rates correspond to Puerto Rico fiscal years which run from July 1 to July 30

The estimated fees for the Services, including expenses, will not exceed \$31,600,000 for the period the engagement begins until the end of the engagement period unless otherwise agreed to by the parties. The engagement period begins on the date of the execution of this Agreement and ends on or before June 30, 2021.

Invoices will be prepared at the appropriate level of detail to support reimbursement of federal dollars to include the number of hours worked by each professional, a description of the work performed, and such other detail that may be reasonably required in writing in advance by the Authority to comply with applicable federal funding expenditure requirements. Each invoice shall be itemized with entries for fractions of an hour based on half an hour (.50) and must be duly certified by an authorized representative of the Provider. The Authority will not honor invoices submitted after one hundred twenty (120) days of services having been rendered. The Provider accepts and agrees to this requirement, and understands that if it does not comply accordingly, it waives its right to payment for rendered services covered by such invoices. The Authority reserves the right to review the invoices and if they are in compliance with the requirements set forth in this Agreement, it will proceed with payment.

No retainer is being paid by the Authority under this Agreement. Invoices are due upon receipt and payable within 30 business days. If payment, (exclusive of any amounts within an invoice to the extent disputed in good faith by the Authority as set forth below) is not received within thirty (30) days of receipt of invoice, and Provider reminds the Authority in writing and the Authority does not provide an appropriate response objection to such payment or part thereof or providing reasonable justification as to the status of such payment within ten (10) business days of receipt of such reminder. Provider may suspend or terminate the Services.

In addition, Provider will be compensated for any time and expenses (including, without limitation, reasonable legal fees and expenses) that Provider may incur in considering or responding to discovery requests or other requests for documents or information, or in participating as a witness or otherwise in any legal, regulatory, arbitration, or other proceedings (including, without limitation, those unrelated to the matters that are subject to this engagement) as a result of or in connection with the Services. Provider shall not provide any legal services nor provide any legal advice and so shall not engage any legal advisory firm as a subcontractor for the provision of any such services or advice.

If the Authority disputes any of the charges on any invoice, it shall notify the Provider of such disputed charges in writing within a reasonable time and in no event later than the due date for payment. The notice shall set forth all details concerning the disputed charges and reasons for the dispute. The Provider and the Authority shall attempt in good faith to resolve any objection to the invoiced amount within ten (10) business days of the Provider's receipt of the notice. If agreement cannot be reached prior to such date, the Authority shall escalate the dispute to the Executive Director. If the dispute is subsequently resolved in favor of the Provider, the Provider shall re-invoice the disputed amount owed, and the Authority shall pay all amounts agreed or found to be owing to the Provider within thirty (30) days of the date of the reissued invoice. The Authority shall pay all undisputed amounts. Notwithstanding anything to the contrary herein, the Provider shall have the right to suspend or terminate the performance of Services if payment (whether disputed or not) is not received within thirty (30) business days of the invoice date.

Section 3.2. Invoices. All invoices must also include a written certification stating that no officer or employee of the Authority will derive or obtain any benefit or profit of any kind from this Agreement, with the acknowledgment that invoices which do not include this certification will not be paid. This certification must read as follows:

"Under penalty of absolute nullity, I certify, that no public servant from the Government is a party to or has any interest in the revenues or benefits resulting from the contract that is the subject of this invoice. If he/she is party to or has any interest in the revenues or benefits resulting from the Agreement, there would have been a prior waiver. The only consideration for providing goods or services that are the subject of the Agreement was the payment agreed upon with the Government. The amount of this invoice is fair and accurate. The services were rendered and payment for them has not been made."

Section 3.3. Travel and Out of Pocket Expenses.

(a) The Authority will reimburse the Provider on a monthly basis for out of pocket expenses directly related to the Services rendered under this Agreement, including but not limited to travel and lodging, expense of outside counsel, filing fees, taxi fares, delivery expenses, and services such as overnight mail, courier and messenger charges. For travel required as part of the Services, the Authority will reimburse the Provider based on the federal Defense Travel Management Office ("DTMO") per diem guidelines for Puerto Rico as referenced by the U.S. General Services Administration for federal funded travel for Puerto Rico. See the DTMO website (<http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>) for established rates and travel regulation governing Puerto Rico. Per diem will be paid based on the daily allowance rates established for meals (no receipt will be required for payment of this per diem). Reimbursement for air travel expenses is restricted to coach fares. In the event a scheduled trip is cancelled for reasons not attributable to the Provider, the Authority will assume the cost of any penalty. The Authority will not process reimbursements of expenses submitted without the required documentation.

(b) Any expense for which a reimbursement is requested shall be reasonable and necessary, and any expenses exceeding \$10,000 individually shall be authorized in writing and in advance by the Authority. The Authority will not reimburse expenses which do not comply with this provision. Under no circumstances will expenses for alcoholic beverages be reimbursed.

(c) Any petition for reimbursement of expenses must be accompanied by the corresponding invoice or receipt and shall specify the relation of the expense to the services rendered. All reimbursements shall be for actual expenses incurred and shall be billed at cost. The total amount of expenses reimbursable pursuant to this clause during the term of this Agreement shall not exceed \$1,900,000 in the aggregate, provided that the Provider may exceed such amount with the prior written authorization from the Executive Director of the Authority or any authorized representative (which consent shall not be unreasonably withheld or delayed).

Section 3.4. Payments made hereunder shall be made by wire transfer and be made to:

Bank of America	
US ACH:	01190571
US WIRE:	026009593
Swift code:	BOFAUS3N
Account Name:	Deloitte & Touche LLP
Account #:	385015866213

**ARTICLE IV
INFORMATION; CONFIDENTIALITY**

Section 4.1. Information Provided by the Provider. No information or advice provided or materials prepared by the Provider as a result of its activities hereunder may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to a third party outside of the Executive Branch (other than, on a confidential, non-reliance, need to know basis,

to the Authority's employees, advisors, counsel, federal regulators, and other representatives) without the Provider's prior written consent, unless compelled by law or court order, and are not intended to be relied upon by any third party. In addition, the Authority agrees that any reference to the Provider in any press release or external public communication is subject to the Provider's prior written approval, which may be given or withheld in its reasonable discretion, for each such reference (which consent shall not be unreasonably withheld or delayed). Notwithstanding any of the foregoing, the Provider agrees that the restrictions set forth by the first sentence of this Section 4.1 shall be effective solely during the Services and, once the Services have ended, either due to successful completion or termination or cancellation by the Authority, such information or materials may be disclosed at the Authority's discretion.

Section 4.2. Confidential Information.

(a) The Provider and Authority each acknowledges the proprietary and confidential nature of all internal, non-public, information systems, financial, and business information relating to the Authority, as well as to the Government of Puerto Rico, its agencies, corporations or municipalities, and of the Provider, now or hereafter provided to the other (the "Confidential Information").

(b) The Provider and Authority and each of their Representatives (as defined below) (each a "Receiving Party") shall keep in confidence in accordance with the terms of this Agreement all such Confidential Information and shall not, except as otherwise set forth herein, make public or disclose any of said information without the previous written consent of the disclosing party. The Receiving Party may use the Confidential Information in connection with providing the Services contemplated by this Agreement. The term Confidential Information shall not include information which (i) is previously known to the Receiving Party, (ii) is available to the public prior to the time of disclosure hereunder, (iii) subsequent to the time of disclosure hereunder, becomes available to the public other than as a result of a breach of this Agreement by the Receiving Party, (iv) subsequent to the time of disclosure hereunder becomes available to the Receiving Party or its Representatives by a third party who, to the knowledge of the Receiving Party, is under no obligation to keep the information confidential, (v) is independently developed by the Receiving Party without reference to or in reliance of the Confidential Information or (iv) is approved in writing for disclosure or release by the disclosing party.

(c) Notwithstanding the above, the Receiving Party and/or its Representatives, as applicable, may divulge Confidential Information to (a) its affiliates and approved subcontractors and their respective directors, officers, employees, agents, consultants, advisors and/or representatives who need to know such Confidential Information to fulfill the purposes of this Agreement, (such individuals receiving Confidential Information hereunder, collectively, the "Representatives") provided that the Representatives shall have been advised of the confidential nature of such materials and information and the Receiving Party shall direct them to treat as confidential such information and to return all materials to the Receiving Party upon request; provided, that the Receiving Party shall be responsible for any breach of this Agreement by its Representatives and (b) pursuant to a request or requirement by law, regulation or governmental, regulatory or self-regulatory

authority or legal process (including by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other process) to provide such Confidential Information.

(d) Receiving Party will promptly, upon the written request of the disclosing party, deliver to the disclosing party, or at the disclosing party's election, destroy all Confidential Information; provided, however, that the Receiving Party and its Representatives may retain copies of Confidential Information, subject to the confidentiality terms of this Agreement, in accordance with their respective internal record retention policies for legal, compliance, professional recordkeeping or regulatory purposes or to establish the rights of the Receiving Party and its Representatives under this Agreement.

(e) This provision shall survive for a period of two (2) years from the date of termination of this Agreement.

ARTICLE V BREACH; TERMINATION

Section 5.1. Breach of Contract Terms. Any violation or breach of terms of this Agreement on the part of the Provider, Provider's subcontractors or Providers Representatives may result in the termination of this Agreement or such other action, including the recovery of damages at law that may be necessary to enforce the rights of the Authority. The duties and obligations imposed by the Agreement and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

Section 5.2. Termination for Convenience Notwithstanding any provision to the contrary in this Agreement, either party shall have the right to terminate this Agreement for convenience by providing thirty (30) days' notice by registered mail, return receipt requested, or overnight express mail. Any provisions of this Agreement which expressly or by implication are intended to survive its termination or expiration will survive and continue to bind the parties.

Section 5.3. The Authority shall have the right to terminate this Agreement immediately, without prior notice, if the Provider incurs in negligence, dereliction of its duties and/or fails to comply with the conditions set forth under this Agreement. The Authority shall also have the right to terminate this Agreement upon receipt of notice of Provider's noncompliance, negligence, dereliction of duties or material breach of this Agreement, provided that, to the extent that the Provider's negligence, dereliction of duties, noncompliance, or material breach is curable, the Authority shall provide the Provider with a fifteen (15) day period to cure such negligence, dereliction of duties, noncompliance or material breach. The Provider shall have the right to terminate this Agreement upon thirty (30) days' prior notice as described above, reasonably describing the basis thereof, in the event of the Authority's negligence, dereliction of duties, noncompliance, or material breach of this Agreement, provided that the Authority does not cure such negligence, dereliction of duties, noncompliance, or material breach within such notice

period. The Provider may terminate this Agreement if the Provider determines any part of the Services would be in conflict with law or professional standards.

Section 5.4. The Office of the Governor of Puerto Rico's Chief of Staff has the authority to terminate this Agreement at any time on behalf of the Authority.



Section 5.5. Upon any termination or expiration of this Agreement, the Authority shall promptly pay the Provider any accrued but unpaid fees hereunder and shall reimburse the Provider for any unreimbursed expenses that are reimbursable hereunder.

Section 5.6. Upon any termination or expiration of this Agreement, the rights and obligations of the parties hereunder shall terminate, except for any provision of the Agreement that imposes or contemplates continuing obligations on a party.

ARTICLE VI INDEMNIFICATION; INSURANCE

Section 6.1. Indemnification and Liability.

(a) Each party shall indemnify and hold harmless the other, its subsidiaries and subcontractors, and their respective personnel from all claims, damages, liabilities, or expenses ("Claims") to which the indemnitee may become subject to as a result of the bad faith or intentional misconduct of such party or its subcontractors in performing or receiving the Services performed hereunder, except to the extent that such breach results from the bad faith or intentional misconduct of the indemnitee or its subcontractors. Provider shall indemnify, defend and hold harmless the Authority from all Claims arising from claims brought by any subcontractor of Provider hereunder against the Authority for payment or for other damages arising under the applicable subcontract agreement between the Provider and such subcontractor. In circumstances where any limitation on damages or indemnification provision hereunder is unavailable, the aggregate liability of Provider, its subsidiaries and subcontractors, and their respective personnel for any Claim shall not exceed an amount that is proportional to the relative fault that the conduct of Provider and its subcontractors bear to all other conduct giving rise to such Claim.

(b) Each party shall indemnify, defend and hold harmless the other from and against any and all amounts payable under any judgment, verdict, court order or settlement for death or bodily injury or the damage to or loss or destruction of any real or tangible personal property, but only to the extent the foregoing arise out of the indemnitor's negligence or intentional misconduct in the performance of this Agreement.

(c) No affiliated or related entity of Provider or such entity's personnel, to the extent that they are not providing Services to the Authority under this Agreement, shall have any liability hereunder to the Authority and the Authority will not bring any action against any such affiliated or related entity or such entity's personnel in connection with this engagement. Without limiting the foregoing, such affiliated and related entities are intended third-party beneficiaries of these terms and may in their own right enforce such

terms. Each of the provisions of these terms shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise, notwithstanding the failure of the essential purpose of any remedy.

(d) Provider, its subsidiaries and subcontractors, and their respective personnel shall not be liable to the Authority for any Claims for an aggregate amount in excess of the fees paid by the Authority to Provider pursuant to this engagement, except to the extent resulting from the bad faith or intentional misconduct of Provider or its subcontractors. In no event shall Provider, its subsidiaries or subcontractors, or their respective personnel be liable to the Authority for any loss of use, data, goodwill, revenues or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect, incidental, punitive, or exemplary loss, damage, or expense relating to this engagement. The foregoing limitation of liability and disclaimer shall not apply to Claims for which a party is obligated to indemnify under this Agreement.

Section 6.2. Insurance.

(a) The Provider represents that as of the date of execution of this Agreement, it maintains professional liability insurance to provide for wrongful errors, omissions and negligent acts that may arise from the services rendered under this Agreement in the minimum amount of One Million Dollars (\$1,000,000.00) per claim.

(b) The Provider also represents that it maintains Commercial General Liability insurance in the minimum amount of One Million Dollars (\$1,000,000.00) per occurrence. It shall be the Provider's obligation to submit to the Authority the corresponding industry standard ACORD certifications from the authorized representative of its insurance company evidencing such coverages. The certifications provided must identify the Authority as Additional Insured on Commercial General Liability with respect to Provider's acts or omissions in performance of Services under this Agreement.

(c) The Provider acknowledges that compliance with this obligation is a prerequisite for the Authority to make the first payment for services rendered under this Agreement.

ARTICLE VII APPLICABLE LAWS OF PUERTO RICO

Section 7.1. Interagency Service Clause. Both Parties acknowledge and agree that the contracted services may be provided to any entity of the Executive Branch with which the Authority subscribes an interagency agreement or by direct disposition of the Office of the Chief of Staff of the Governor of Puerto Rico. These services will be provided under the same terms and conditions regarding work hours and/or compensation as set forth in this Agreement. For the purposes of this Clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as its instrumentalities, public corporations and the Governor's Office.

Section 7.2. Source of Funds. The Authority certifies that the funds for the payment related to the services rendered under this Agreement come from budgetary allocations and/or federal disaster funds allocated to the Government of Puerto Rico. All disbursements for such payments shall be made from the Puerto Rico Public Partnerships Authority's account.



Section 7.3. Professional Ethics Rules. The Provider acknowledges and accepts that, to the extent applicable, it is knowledgeable regarding the rules of ethics of its profession and assume responsibility for its own actions. The Provider also acknowledges that in executing its professional services pursuant to this Agreement it has the obligation to comply with all applicable laws, regulations and professional rules as to professional ethics, including having no adverse interest to this government entity in violation of applicable law, regulation, or professional rule. Adverse interest means representing clients who have or may have interest contrary to the Authority's in violation of the standards of ethics applicable to its profession or industry, or applicable Puerto Rico laws and regulations. This duty includes the continued obligation to disclose to the Authority all circumstances of any such adverse interest relationships with clients and third persons, and any such adverse interest which could influence the Authority when executing the Agreement or while it is in effect. The Provider represents conflicting adverse interests when, on behalf of one client it must support that which it is its duty to oppose to comply with its obligations with another previous, present or potential client, in violation of the standards of ethics applicable to its profession or industry or applicable Puerto Rico laws and regulations. Also, it represents conflicting adverse interests when its conduct is or would be described as to be in violation of the standards of ethics applicable to its profession or industry, or in applicable Puerto Rico laws and regulations. The conduct herein described, when engaged in by one of its directors, partners or employees, shall constitute a violation of this prohibition by Provider. The Provider shall endeavor to avoid even the appearance of the existence of any such conflicting adverse interests.


Section 7.4. Anti-Corruption Provisions.

(a) The Provider certifies that it has received a copy of and agrees to comply with Act No. 2-2018, known as the Anti-Corruption Code for the New Puerto Rico ("Act No. 2-2018"), and with Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico ("Act No. 1-2012").

(b) The Provider shall furnish a sworn statement to the effect that neither the Provider nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for the Provider has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico ("Act No. 8-2017") or any of the crimes included in Act No. 2-2018.

(c) The Provider hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, any of the crimes listed in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code ("Act No. 146-2012"), any of the crimes typified in Act

No. 2-2018, or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017.

(d) The Authority shall have the right to terminate the Agreement in the event the Provider is convicted in Puerto Rico or United States Federal court under Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, Act No. 146-2012, any of the crimes typified in Act No. 2-2018, or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017. 

(e) The Provider hereby certifies it shall be committed to be governed by the provisions of the Code of Ethics for Contractors, as required by Article 3 of Act No. 2-2018.

(f) It is expressly acknowledged that the certifications provided by the Provider, pursuant to this Section 7.4, are essential conditions of this Agreement. If these certifications are not correct in their entirety or in any of their parts, it shall constitute sufficient cause for the CRRO to terminate this Agreement immediately, without prior notice, and the Provider will have to reimburse the CRRO any amount of money received under this Agreement.

(g) If the status of the Provider or any of its shareholders, partners, associates, officers, directors, employees or agents with regards to the charges previously mentioned should change at any time during the term of the Agreement, the Provider shall notify in writing to the Authority immediately. The failure to comply with this responsibility constitutes a violation of this Clause and shall result in the remedies mentioned previously.

Section 7.5. Improvement of Family Assistance and Support for the Elderly. The Provider also certifies and warrants that, to the extent required by applicable law, it is in compliance with Act No. 168-2000, as amended, known as the Act for the Improvement of Family Assistance and for the Support of the Elderly. In the event the Provider is under a court or administrative order directing it to provide financial support or to fulfill any obligation under the mentioned Act, the Provider further certifies and warrants that it is in compliance with said obligations. It is expressly acknowledged that this certification is an essential condition of this Agreement. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for the Authority to terminate the Agreement immediately, without prior notice to the Provider.

Section 7.6. Conflicts of Interests.

(a) Both Parties hereby declare and certify that, to the best of their knowledge, as of the date hereof, no public officer or employee of the Government of Puerto Rico, or any of its agencies, instrumentalities, public corporations or municipalities or employee of the Legislative or Judicial branches of the Government has any direct or indirect interest in the present Agreement. The Provider certifies that neither it, nor any of its directors, executives, officers or employees, offered or paid, directly or indirectly, any commissions, referrals, contracts, or any other consideration having an economic value, to a third party

as a condition for obtaining this Agreement or to influence in any way its execution. In addition, the Provider certifies that it shall not pay any commissions, make any referrals, execute any contracts, or provide any other consideration having an economic value, to a third party for the services to be rendered under this Agreement, except for any subcontracts authorized by the Authority in accordance with the provisions established herein.



(b) The Provider certifies that none of its partners, directors, executives, officers and employees receives salary or any kind of compensation for the delivery of regular services by appointment (or otherwise) in any agency, instrumentality, public corporation, or municipality of the Government of Puerto Rico.


(c) The Provider's signatory certifies that, at the time of the execution of this Agreement, to its knowledge, Provider does not have nor, to its knowledge, does it represent anyone who has interests that are in conflict with the Authority which representation would be in violation of an applicable professional standard or applicable law pursuant to Section 7.3 above. If such conflicting interests arise after the execution of this Agreement, the Provider shall notify the Authority promptly upon becoming aware of them to mutually determine the actions needed to resolve such potential conflict.

(d) Both Parties hereby certify that no public officer or employee authorized to contract on behalf of the executive agency or the executive agency itself is a party to or has any interest in any profits or benefits produced by this Agreement.

Section 7.7. Required Certifications.

(a) The Provider represents and certifies that at the execution of this Agreement, it has submitted income tax returns in Puerto Rico (if it was required by applicable law to submit) during the past five (5) years since it was authorized to do business in Puerto Rico on August 5, 2009. The Provider further certifies that it has submitted a certification issued by the Municipal Revenues Collection Center on the absence of any tax debt or the existence of a payment plan. The Provider also represents and certifies that it does not have outstanding debts with the Government of Puerto Rico for income taxes, real or chattel property taxes, unemployment insurance premiums, workers' compensation payments or Social Security for chauffeurs in Puerto Rico and the Administration for the Sustenance of Minors (known by its Spanish acronym as "ASUME").

(b) The Provider has provided the Authority with a certificate of incorporation, if applicable, and a Good Standing Certificate issued from the Department of State of Puerto Rico as proof that it is duly authorized to do business in Puerto Rico and has complied with its annual corporation report filing obligations. The Provider has also provided the Authority with the certifications listed in **Appendix C** hereto.

(c) It is expressly acknowledged that the certifications provided by the Provider, pursuant to this Section 7.7, are essential conditions of this Agreement, and if these certifications are incorrect, the Authority shall have sufficient cause to terminate this Agreement immediately, without prior notice to the Provider. 

(d) For the purposes of this Agreement, tax debt shall mean any debt that the Provider, or other parties which the Authority authorizes the Provider to subcontract, may have with the Government of Puerto Rico for income taxes, real or chattel property taxes, including any special taxes levied, license rights, tax withholdings for payment of salaries and professional services, taxes for payment of interest, dividends and income to individuals, corporations and non-resident accounting firms, for payment of interests, dividends and other earnings shares to residents, unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs and ASUME.

(e) The Provider shall also be responsible for providing the Authority with the certifications required under this clause from any professional or technical consultant subcontracted by the Provider and authorized by the Authority. Any person engaged by the Provider in accordance with the conditions herein established, who dedicates twenty-five percent (25%) or more of his or her time to provide advisory services related to the Agreement shall be considered subcontractors for the purposes of this Clause. Notwithstanding anything herein to the contrary, the Provider shall have the right to rely conclusively on the aforementioned certifications from government agencies in making the representations in this Clause.

Section 7.8. Withholdings. The Provider is an independent contractor and, as such, shall be responsible for the payment of all of its income taxes, their subcontractors, and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code. No withholdings or deductions shall be made from payments to the Provider for services rendered, except the special contribution of one point five percent (1.5%) of the gross amounts paid under this Agreement, required by Act No. 48-2013, as amended, and those applicable under the Puerto Rico Internal Revenue Code and its regulations, if any. In particular, when invoicing the Authority, the Provider will allocate fees between those relating to activities undertaken outside Puerto Rico and constituting gross income from sources without Puerto Rico, and those relating to activities undertaken within Puerto Rico and constituting gross income from sources within Puerto Rico. The Authority shall deduct and withhold twenty-nine percent (29%) of the gross amounts paid on those invoiced amounts which constitute gross income from sources within Puerto Rico, in accordance with Section 1150 of the Puerto Rico Internal Revenue Code, 13 L.P.R.A. Section 8550(a). No withholdings or deductions shall be made from payments to the Provider for services constituting gross income from services without Puerto Rico. The Authority shall forward any such withholdings or deductions to the Secretary of the Treasury of Puerto Rico.

Provider represents and warrants that it has and shall continue to pay all taxes and other such amounts required by federal, state and local law, including but not limited to federal and social security taxes, workers' compensation, unemployment insurance and sales taxes.

Section 7.9. Registration at the Office of the Comptroller. The Provider will not receive any payment for the services rendered under the terms of this Agreement until the Agreement has been registered at the Office of the Comptroller of Puerto Rico, as required by Act No. 18 of October 30, 1975, as amended.

Section 7.10. Dispensation. The Provider certifies it is not required to obtain a dispensation in compliance with the applicable laws and regulations of the Government of Puerto Rico prior to or in connection with the execution of this Agreement. Both parties agree that the proven illegality of any of the provisions of this Agreement shall not invalidate it as a whole.

ARTICLE VIII GOVERNING LAW; DISPUTE RESOLUTION

Section 8.1. Governing Law. This Agreement and any dispute relating to the services will be governed by and construed, interpreted and enforced in accordance with the laws of the Commonwealth of Puerto Rico.

Section 8.2 Dispute Resolution. The parties agree to resolve any disputes in connection with this Agreement in accordance with the procedures specified in this Section 8.2, which shall be the sole and exclusive procedures for the resolution of any such disputes.

(a) *Negotiation.* The parties shall attempt promptly and in good faith to resolve any dispute arising out of, or relating to, the Agreement by negotiation.

(b) *Mediation.* If any dispute should arise between the Parties which cannot be resolved through negotiation within a period of thirty (30) days from the time the dispute arises, the Parties shall endeavor to settle the dispute by mediation. Either party may request in writing that the other party mediate the dispute; such notice shall set forth the subject of the dispute and the relief requested. Unless the parties otherwise agree, the mediation shall be conducted by a single neutral mediator selected jointly by the parties. The selection of such mediator shall be made from the Puerto Rico Supreme Court's published "Registry of Neutral Interveners Active in Mediation, Arbitration and Neutral Evaluation" ("Registro de los Interventores y las Interventores Neutrales Certificadas Activas en el Método de Mediación, Arbitraje y Evaluación Neutral") within ten (10) business days after a party requests mediation of a dispute pursuant to this provision. The dispute shall be mediated in accordance with the ABA rules applicable to mediation.

(c) *Arbitration.* If within forty-five (45) days of the first mediation session, the dispute is not resolved, either party may serve the other party with a written notice of binding arbitration. Unless the parties otherwise agree, the arbitration shall be conducted by and under the commercial arbitration rules of the American Arbitration Association. The arbitration shall be conducted by a panel of three (3) arbitrators. The party initiating the arbitration shall designate its selected arbitrator in its notice of arbitration. The other party shall have ten (10) business days to designate its party-selected arbitrator. The arbitrators selected by the parties shall then agree upon a third arbitrator within fifteen (15) business days of the selection of the second arbitrator. If either party fails to appoint an

arbitrator, or if the party-selected arbitrators cannot agree on the third arbitrator, then the dispute resolution service whose rules govern the arbitration shall appoint the arbitrator.



(d) *Damages.* The arbitrators are not empowered to award damages in excess of compensatory damages and each party hereby irrevocably waives any right to recover such damages including, without limitation, punitive damages, in any forum.

(e) *Settlement Offers.* In the event a party makes a written settlement offer to the other party which is refused, and the refusing party fails to obtain a more favorable judgment or award, the refusing party shall pay the offering party's costs and expenses, including attorney's fees, incurred from the time the offer is refused.

(f) *Governing Law.* The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1 *et seq.*, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The parties agree that the dispute shall be adjudicated in accordance with the state or federal law which would be applied by a United States District Court sitting in the Commonwealth of Puerto Rico.

(g) *Venue.* The place of arbitration shall be San Juan, Puerto Rico.

(h) *Costs.* Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

ARTICLE IX NOTICES

Section 9.1. Notices. Any required notices under this Agreement should be sent by business email with receipt verification and/or certified mail or through a nationally recognized courier service with return receipt requested and addressed to the Parties as follows:

If to Deloitte & Touche LLP:

Deloitte & Touche LLP
Torre Chardon
350 Chardon Ave., Suite 700
Puerto Rico 00918-2140
jsierra@deloitte.com
Attention: Jose Sierra, Managing Director-cc

Deloitte & Touche LLP
500 2nd Avenue, Suite 1600
Austin, Texas 78701
kschwerdtfeger@deloitte.com
Attention: Kathie Schwerdtfeger, Partner

If to the Authority:

Puerto Rico Public-Private Partnerships Authority
Central Recovery and Reconstruction Office of Puerto Rico
Roberto Sánchez Vilella Government Center, De Diego Avenue
San Juan, Puerto Rico 00940-2001
Attention: Omar Marrero, Esq., Executive Director PPP Authority



With a copy to Legal Affairs Office, attention Fermín Fontanés Gómez

ARTICLE X FEDERALLY REQUIRED CLAUSES

Section 10.1. Changes. The Authority may, at any time, by written request, request to make changes in the Services or work to be performed within the general scope of this Agreement. The Parties shall agree in writing to any such changes via a mutually executed written modification to this Agreement. If such changes cause an increase or decrease in Provider's cost of, or time required for, performance of any services under this Agreement, an equitable adjustment shall be made and this Agreement shall be modified in writing accordingly. Provided, however, that no changes shall be made to the scope of the Services that would render the costs incurred in the performance of this Agreement unallowable or not allocable under, or outside the scope or not reasonable for the completion of, Federal grant awards from the Federal Emergency Management Agency ("FEMA"), the U.S. Department of House and Urban Development ("HUD") or any other U.S. Federal agency.

Section 10.2. Debarment, Suspension, and Ineligibility.

(a) The Provider represents and warrants that the Provider, its principals, and affiliates have not been debarred, suspended, or placed in ineligibility status under the provisions of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000 (government debarment and suspension regulations). The Provider represents and warrants that it will not enter into any contracts or subcontracts with any individual or entity which has been debarred, suspended or deemed ineligible under those provisions. During the term of this Agreement, the Provider will periodically review SAM.gov and local notices to verify the continued accuracy of this representation. The Provider shall require all subcontractors at every tier to comply with this requirement.

(b) This certification is a material representation of fact relied upon by the Authority. If it is later determined that the Provider did not comply with 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000, in addition to remedies available to the Authority, and the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

Section 10.1. Reporting Requirements. The Provider shall complete and submit all reports required under this Agreement, including all federally required reports, in such form and according to such schedule, as may be required by the Authority.



Section 10.3. Access to Records.

(a) The Provider agrees to provide the Authority, the Government of Puerto Rico, the Federal Program Administrators, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Provider which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.

(b) The Provider agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(c) The Provider agrees to provide the Authority, the Government of Puerto Rico, Federal Program Administrators, the Comptroller General of the United States or their authorized representatives access to work sites pertaining to the work being completed under the Agreement.

Section 10.4. Records Retention. The Provider agrees to maintain all books, records, accounts and reports and all other records produced or collected in connection with this Agreement for a period of not less than three (3) years after the date of final payment and close-out of all pending matters related to later of this Agreement or the federally declared disasters. If any litigation, claim, or audit is reasonably anticipated to arise or is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

Section 10.5. Program Fraud and False or Fraudulent Statements or Related Acts. The Provider acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) may apply to the Provider's actions pertaining to this Agreement.

Section 10.6. Clean Air Act and the Federal Water Pollution Control Act. The Provider agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*, and the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.* The Provider agrees to report each violation to the Authority and understands and agrees that Authority will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, FEMA, HUD, or other Federal Program agencies, and the appropriate Environmental Protection Agency Regional Office. The Provider agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

Section 10.7. Energy Efficiency. The Provider agrees to comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the Government of Puerto Rico's energy conservation plan issued in compliance with this Act.

Section 10.8. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Providers who apply or bid for an award of \$100,000 or more shall file the required certification attached as **Appendix D** to this Agreement. Each tier certifies to the tier above that it will not and

has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the Authority and the Government of Puerto Rico.

Section 10.9. Compliance with Laws, Regulations, and Executive Orders. The Provider acknowledges that FEMA, HUD, or other federal financial disaster funds will be used to fund this Agreement. The Provider shall comply will all applicable Federal and Government of Puerto Rico laws, regulations, executive orders, policies, procedures, and directives, including but not limited to all Federal Cost Principles set forth in 2 C.F.R. Part 200, and all applicable FEMA regulations in 44 C.F.R. Chapter I, in performing the Services hereunder.


Section 10.10. Provisions Required By Law Deemed Inserted. Each and every provision of law and clause required by law, regulation, executive order, policy, procedure, directive, Federal grant award or agreement, or cooperative agreement with any Federal agency to be inserted in this Agreement shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein. If, through mistake or otherwise, any provision is not inserted, or is not correctly inserted, then upon the application of either party the Agreement shall be amended to make such insertion or correction.

Section 10.11. No Obligation by the Federal Government. The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, Provider, or any other party pertaining to any matter resulting from the Agreement.

Section 10.12. Modifications and Amendments. No amendment to or modification or other alteration of the Agreement shall be valid or binding upon the parties unless made in writing, signed by the parties and, if applicable, approved by the Authority.

Section 10.13. Title VI of the Civil Rights Act of 1964. The Provider shall comply with the provisions of Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Section 10.14. Section 109 of the Housing and Community Development Act of 1964. The Provider shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

Section 10.15. Section 504 of the Rehabilitation Act of 1973. The Provider shall comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), as amended, and any applicable regulations. The Provider agrees that no qualified individual with handicaps shall, solely on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance from HUD. 

Section 10.16. Age Discrimination Act of 1975. The Provider shall comply with the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), as amended, and any applicable regulations. No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance.

Section 10.17. 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 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The Provider agrees to send to each labor organization or representative of workers with which the Provider has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The Provider agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 135. The Provider will not subcontract with any subcontractor where the Provider has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

(e) The Provider will certify that any vacant employment positions, including training positions, that are filled: (1) after the Provider is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the Provider's obligations under 24 C.F.R. Part 135. Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

(f) 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 (25 U.S.C. § 450e) 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).

(g) For contracts exceeding \$100,000, the Provider shall submit Form HUD 60002 (Section 3 Summary Report) to CRRO on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

Section 10.18. Fair Housing Act. Provider 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, handicap 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.

ARTICLE XI INTELLECTUAL PROPERTY; OWNERSHIP; USE

Section 11.1. Provider has rights in, and may, in connection with the performance of the Services, use, create, modify, or acquire rights in, works of authorship, materials, information, and other intellectual property (collectively, the "Provider Technology").

Section 11.2. Upon full payment to Provider hereunder, and subject to the terms and conditions contained herein, (i) the Deliverables shall become the property of the Government, and (ii) Provider hereby grants the Government a royalty- free, fully paid-up, worldwide, nonexclusive license to use the Provider Technology contained in the Deliverables in connection with the use of such Deliverables. Except for the foregoing license grant, Provider or its licensors retain all rights in and to all Provider Technology.

Section 11.3. To the extent Provider Technology provided to the Government hereunder constitutes inventory within the meaning of Section 471 of the Internal Revenue Code, such Provider Technology is licensed to the Government by Provider as agent for Provider on the terms and conditions contained herein.

Section 11.4. Provider may (i) provide any services to any person or entity, and (ii) develop for itself, or for others, any materials or processes, including those that may be similar to those produced as a result of the Services, provided that, Provider complies with its obligations of confidentiality set forth hereunder.

Section 11.5. The Authority agrees that, without Provider's prior written permission, any reports, schedules, documents, or other materials or deliverables provided by Provider are not to be used, in whole or in part, by the Authority for any purpose other than in connection with this matter and are not to be shared with third parties other than as required by applicable law or by its regulators or the Federal government or by any governing regulatory authority of the Government of Puerto Rico. Notwithstanding the foregoing, the Authority shall not be prohibited from creating its own materials based on the consent of such Services and Deliverables or work product and using and disclosing such Authority-created materials for external purposes, provided that the Authority does not, expressly or by implication, in any manner whatsoever, attribute such materials to Provider or otherwise refer to or identify Provider in connection with such materials, except when written authorization is provided by the Provider.

ARTICLE XII WARRANTIES

Section 12.1. This is a Services engagement. Provider warrants that it shall perform the Services in good faith and with due professional care. Provider DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 12.2. Provider represents and warrants that there is no claim, legal action, counterclaim, suit, arbitration, governmental investigation or other legal, administrative, or tax proceeding, or any order, decree or judgment of any court, governmental agency, or arbitration tribunal that is in progress, pending, or threatened against or relating to Provider or any of its subcontractors or the assets of Provider or its subcontractors that would individually or in the aggregate have a material adverse effect on Provider's ability to perform the obligations contemplated by this Agreement. Without limiting the generality of the representation of the immediately preceding sentence, Provider and its subcontractors are not currently the subject of a voluntary or involuntary petition in bankruptcy, do not presently contemplate filing any such voluntary petition, and are not aware of any intention on the part of any other person, or entity, to file such an involuntary petition against them.

ARTICLE XIII MANAGEMENT RESPONSIBILITIES

Section 13.1. The Authority shall cooperate with Provider in the performance of the Services, including providing Provider with reasonable facilities and timely access to data, information, and personnel of the Authority. With respect to the data and information provided by the Authority to Provider or its subcontractors for the performance of the Services, the Authority shall have all rights required to provide such data and information and shall do so only in accordance with applicable law and with any procedures agreed upon in writing. The Authority shall be solely responsible for, among other things (a) the performance of its personnel and agents, (b) the accuracy and completeness of all data and information provided to Provider for purposes of the performance of the Services, (c) making all management decisions, performing all management functions, and assuming all management responsibilities, (d) designating a competent management member to oversee the Services, (e) evaluating the adequacy and results of the Services, (f) accepting responsibility for the results of the Services, and (g) establishing and maintaining internal controls, including monitoring ongoing activities. Providers' performance is dependent upon the timely effective satisfaction of the Authority's responsibilities hereunder and timely decisions and approvals of the Authority in connection with the Services. Provider shall be entitled to rely on all decisions and approvals of the Authority.

Section 13.2. If Provider is provided with access to or use of the Authority's facilities outside of the United States for the purpose of performing the Services, such facilities may not be dedicated solely for Provider's use and Provider will not be deemed a tenant of the Authority with respect to such facilities.

Section 13.3. While Provider may assist in the development of certain quantitative financial models, the Authority acknowledges and agrees that it will take sole responsibility for all aspects of, and for making all judgments and decisions in connection with, any such models developed in connection with the Services, including the underlying assumptions, inputs, formulas, and calculations, and model outputs, including any financial projections or related computations or calculations. Without limiting the foregoing, financial forecasts are the responsibility of management of the Authority. In this regard, management of the Authority is responsible for representations about its plans and expectations and for disclosure of significant information that might affect the ultimate realization of its forecasted results, and Provider has no responsibility therefor or for the achievability of the results forecasted.

Section 13.4. The Authority agrees that although the Services may include access to the work of the Authority's other professionals, or to financial statements or financial information or data reported on by such other professionals such access is not for the purpose of affirming or evaluating the procedures or professional standards used by such other professionals.

Section 13.5. In connection with the Services, Provider shall be entitled to assume, without independent verification, the accuracy and completeness of any and all information and assumptions provided to Provider by or on behalf of the Authority for purposes of the performance of the Services. Provider will not audit or otherwise verify such information or assumptions. The Services cannot be relied on to disclose errors or fraud should they exist. Accordingly, the Services

will not result in the issuance of any written or oral communications by Provider to the Authority or any other person or entity expressing any opinion conclusion, or any other form of assurance with respect to, among other things, accounting policies, financial data, financial statements or related footnotes, appropriate application of generally accepted accounting principles, disclosure, operating or internal controls, compliance with the rules and regulations of the Securities and Exchange Commission or the PCAOB, compliance with the Sarbanes-Oxley Act of 2002 or related rules and regulations or any other matters.

Section 13.6. The Services to be performed by Provider will not include, and should not be interpreted as providing, any predictions or any opinions or other assurances concerning the outcome of future events, including, without limitation, those that pertain to the operating results of any entity, including the Authority, the achievability of any business plan, the success of any investment, the recovery of any asset or the ability to pay any debt. The Authority expressly acknowledges that Provider does not guarantee, warrant, represent or otherwise provide any assurance the Authority will restructure successfully.

Section 13.7. The Authority recognizes and acknowledges that by performing the Services, Provider is not acting in any the Authority management capacity and that the Authority has not asked Provider to make, nor has Provider agreed to make, any business decisions on behalf of the Authority. All decisions about the Authority's business or operations, including, but not limited to, decisions concerning the execution of transactions with other entities and the establishment of terms for such transactions, remain the sole responsibility of the Authority's management.

ARTICLE XIV MISCELLANEOUS

Section 14.1. Independent Contractor. The Authority and the Provider agree that the Provider's status hereunder, and the status of any agents, employees and subcontractors engaged by the Provider, shall be that of an independent contractor only and not that of an employee or agent of the Authority. The Provider shall not have any power or right to enter into agreements on behalf of the Authority.

Section 14.2. Patriot Act. The Provider hereby notifies the Authority that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act. Pub. L. N 109-177 (Mar. 9, 2006) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Authority in a manner that satisfies the requirements of the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act.

Section 14.3. No Third Party Rights. It is understood that this Agreement is the sole agreement between the parties with regard to the services covered hereby and supersedes any prior agreements, written or verbal. The Agreement may not be changed orally, but may be amended in writing by mutual agreement of the parties. This Agreement is solely for the benefit of the Authority, the Provider and, to the extent expressly set forth herein, the Indemnified Persons solely as to the relevant indemnification obligations, and no other party shall be a third party beneficiary to, or otherwise acquire or have any rights under or by virtue of, this Agreement.

Section 14.4. Drafting Responsibility. This Agreement has been reviewed by each of the signatories hereto and its counsel. There shall be no construction of any provision against either Party because this Agreement was drafted by either Party, and the parties waive any statute or rule of law to such effect.



Section 14.5. Severability. If any provision hereof shall be held by a court of competent jurisdiction to be invalid, void or unenforceable in any respect, or against public policy, such determination shall not affect such provision in any other respect nor any other provision hereof.

Section 14.6. Counterparts. This Agreement may be executed in facsimile or other electronic counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same document.

Section 14.7. Force Majeure. Neither Provider nor the Authority shall be responsible or liable for delays or failure to perform any of the Services or obligations in this Agreement due to war, natural disasters, civil disturbances, work disruptions or other causes outside of its reasonable control.

Section 14.8. Non-Solicitation. During the term of this engagement and for a period of one (1) year thereafter, each party agrees that its personnel (in their capacity as such) who had substantive contact with personnel of another party in the course of this engagement shall not, without such other party's consent, directly or indirectly employ, solicit, engage, or retain the services of such personnel of such other party. This provision shall not restrict the right of either party to solicit or recruit generally in the media.

Section 14.9. Assignment. This Agreement may not be assigned by either party hereto without the prior written consent of the other, to be given in the sole discretion of the party from whom such consent is being requested; provided that the Provider may assign this Agreement, in whole or in part, to a parent, subsidiary or affiliate of the Provider after written approval has been provided by the Authority. In such event, the Provider will provide the Authority evidence that the assignee has agreed in writing to be bound by this Agreement. Any attempted assignment of this Agreement made without such consent shall be void and of no effect, at the option of the non-assigning party.

Section 14.10. Waiver. No waiver of any provision of this Agreement will be effective unless it is in writing and signed by the Party against which it is sought to be enforced. The delay or failure by either Party to exercise or enforce any of its rights under this Agreement will not constitute or be deemed a waiver of that Party's right to thereafter enforce those rights, nor will any single or partial exercise of any such right preclude any other or further exercise of these rights or any other right.

Section 14.11. Publicity. All advertising, press releases, public announcements and public disclosures (including, but not limited to, on social media sites such as Facebook, Twitter, Instagram, etc.) by either Party relating to this Agreement that includes (a) the other Party's name, trade names, trademarks, logos, service marks or trade dress (collectively, "Name") or (b) language

from which the connection of such Name may be inferred or implied, will be coordinated with and subject to approval by both Parties prior to release, which approval shall not be unreasonably withheld or delayed by the other Party.



Section 14.12. Integration. This Agreement, including the appendices and other exhibits, sets forth the entire agreement between the Parties and supersedes all prior agreements, conditions, warranties, representations, arrangements and communications, whether oral or written, with respect to the subject matter of this Agreement whether with or by Provider, or any of its employees, officers, directors, agents or stockholders. This Agreement may not be modified or amended except by the mutual written agreement of the Parties. Each Party acknowledges that it is entering into this Agreement solely on the basis of the agreements and representations contained herein, and that it has not relied upon any representations, warranties, promises, or inducements of any kind, whether oral or written, and from any source, other than those that are expressly contained within this Agreement. Each party acknowledges that it is entering into this Agreement for its own purposes and not for the benefit of any other third parties. The terms of this Agreement, including this Section 14.12, have been the subject of specific negotiations by the Parties. Each Party acknowledges that it is a sophisticated business or government entity and that in negotiating and entering into this Agreement it has had the opportunity to consult with counsel of its choosing.

[SIGNATURE PAGE FOLLOWS]

✓
6-7-18

These terms constitute the entire agreement between the PARTIES with respect to this engagement; supersede all other oral and written representations, understandings, or agreements relating to this engagement; and may not be amended except by a written agreement signed by the PARTIES.

IN WITNESS WHEREOF, the parties hereto execute this Agreement on this 7th day of June 2018.

**PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
CENTRAL RECOVERY AND RECONSTRUCTION OFFICE OF PUERTO RICO**

By: _____

Name: Omar J. Marrero, Esq.

Title: Executive Director

Tax ID No.:

DELOITTE & TOUCHE LLP

By: _____

Kathie Schwerdtfeger

Name: Kathie Schwerdtfeger

Title: Partner

Employer Identification Number

✓
6-7-18

APPENDIX A
PROVIDER'S PROPOSAL

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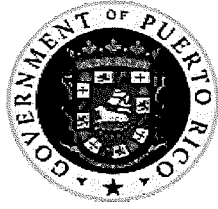
App. A - 1

APPENDIX B

REQUEST FOR PROPOSALS
FOR

DISASTER RECOVERY STRATEGIC AND COMPLIANCE SERVICES ASSISTANCE
AFTER HURRICANES IRMA AND MARÍA





**REQUEST FOR PROPOSALS
FOR
DISASTER RECOVERY STRATEGIC AND COMPLIANCE SERVICES
ASSISTANCE AFTER HURRICANES IRMA AND MARIA**

Issued by the Central Recovery and Reconstruction Office of Puerto Rico
as a division within
the Puerto Rico Public-Private Partnerships Authority.

Date Initial RFP Issued: February 12, 2018
Proposals Due Date: February 22, 2018 at 12:00 p.m. AST

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1.0 Purpose and Intent

This request for proposals (RFP) is issued by the Government of Puerto Rico (Government) through the Central Recovery and Reconstruction Office of Puerto Rico (CRRO), a division within the Puerto Rico Public-Private Partnerships Authority (Authority). The purpose of this RFP is to solicit proposals from interested qualified firms which can provide Disaster Recovery Strategic and Compliance Services in connection to the aftermath of Hurricanes Irma and Maria.

The intent of this RFP is to award one contract for the following disaster strategic and compliance services: 1) Governance and Organizational Assistance, 2) Establishment of Process, Procedures and Controls, 3) Financial Management and Auditing, 4) Reporting and Monitoring and 5) Close-out Services. The CRRO and the Authority reserve the right to grant more than one contract and/or select more than one qualified proponent or bidder. Award of contract will be to those qualified firms whose proposal, conforming with this RFP, is most advantageous to the Government, the price and other factors will also be considered therein. Section 2.0 of this RFP has a detailed description of the scope of services.

It is the Government's intent to ensure that all work performed, pursuant to this RFP, is eligible for United States Department of Housing and Urban Development (HUD) and United States Federal Emergency Management Agency (FEMA) Public Assistance grant funding and performed in accordance with HUD, FEMA and other applicable Federal and State regulations, policies and guidance including, but not limited to, Davis-Bacon Act (40 U.S.C. 276a to 276a-7) and Clean Air Act (42 U.S.C. 1857 (h)). Qualified firms shall possess all required Federal and Government licensing. This in particular may include, without limitation, the programs known as FEMA Public Assistance, FEMA Hazard Mitigation Grant Program, HUD Community Development Block Grant Program, HUD Community Development Block Grant Program—Disaster Relief, HHS Social Services Block Grant Program, DOT, FHA, FTA, FAA Grant Programs, Department of the Interior Grant Programs, USDA Emergency Watershed Protection Program, USDA Emergency Forest Restoration Program, among others.

1.1 Background

During the month of September 2017, Hurricanes Irma and Maria delivered devastating blows to Puerto Rico, resulting in the largest and most complex disaster response and recovery effort in U.S. history. Hurricane Irma (Irma) skirted the northern coast of the Island from September 6-7, 2017 as a Category 5 storm, causing significant flooding, regional power and water outages, and other impacts to the Island's infrastructure. Exactly thirteen days later and before Irma's response operations had even concluded, Hurricane Maria (Maria) slammed into Puerto Rico on September 20, making a direct strike as a strong Category 4 storm and causing widespread devastation and destruction the likes of which Puerto Rico has never seen.

Maria represented a "worst case scenario" for Puerto Rico, tracking east-to-west across the Island and leaving a path of destruction. Within a matter of hours, 100% of Puerto Rico's

population, economy, critical infrastructure, social service network, healthcare system, and even the Government became casualties of the storm. As such, Maria caused massive infrastructure and property damage and loss of life.

On September 5th and 17th, 2017, Governor Ricardo A. Rossello requested separate Federal declarations of emergency and disaster for Puerto Rico related to the impacts of Irma and Maria. Subsequently, President Donald J. Trump (President) approved Puerto Rico's Emergency Declaration (EM-3384) and Major Disaster Declaration (DR-4336) related to the impact of Irma, and Emergency Declaration (EM-3391) and Major Disaster Declaration (DR-4339) associated to the impact of Maria.

The President's action qualifies Puerto Rico for Federal disaster assistance funds. Disaster assistance can include but is not limited to: HUD Community Development Block Grant Funding-Disaster Relief (CBDG-DR) and FEMA Public Assistance, Individual Assistance and Hazard Mitigation Grant Program funds, as well as other federal disaster assistance programs. The Puerto Rico's Office of Emergency and Disaster Management (PROEDM), in cooperation with other Government Entities, executed the initial response efforts and coordination immediately following Irma and Maria.

On October 26, 2017, the President signed into law H.R. 2266, the "Additional Supplemental Appropriations for Disaster Relief Requirements Act 2017," which provides \$36.5 billion in FY2018 emergency supplemental appropriations to FEMA, the Department of Agriculture (USDA), and the Department of the Interior, which includes certain relief and recovery funds for Puerto Rico in connection to hurricanes Irma and Maria.

On November 13, 2017, Governor Rossello's Administration submitted to the President and U.S. Congress its "Build Back Better Puerto Rico" report, which calls for Congress to provide \$30 billion within the FEMA Disaster Relief Fund to recover critical infrastructure; \$46 billion to restore housing and economic viability through the Community Development Block Grant - Disaster Recovery (CDBG-DR) program; and \$17.9 billion in other Federal grant programs for long term recovery with the intent to reconstruct a stronger, more resilient Puerto Rico.

In addition, Puerto Rico has requested Congressional authorization of 100% funding for Stafford Act Programs. According to the Build Back Better Puerto Rico report "[w]ith the required use of the Section 428 of the Stafford Act for Permanent Work under FEMA, the overall Public Assistance funding will be capped to the mutually agreed upon estimates. Furthermore, Puerto Rico has also indicated that additional funding will be needed through the Community Disaster Loan Program (CDL) to overcome the liquidity needs of the Government of Puerto Rico".

As the Government continues to move into the recovery phase in the aftermath of the storms, it seeks specialized services designed to support all facets of intermediate and long-term recovery efforts. These efforts will be the responsibility of the newly created CRRO a division within the Authority.

1.2 Central Recovery and Reconstruction Office

On October 23, 2017, Governor Rossello signed Executive Order No. 2017-065, as amended by Executive Order 2017-069 (Executive Order), which establishes the CRRO as a division within the Authority, with all the necessary authority, powers and capability to: (a) identify, procure and administer all state, federal and/or private resources for recovery; (b) direct and coordinate efforts and activities of the Government of Puerto Rico related to the recovery; (c) fund and execute recovery and related infrastructure projects; and (d) advise the Governor and provide technical assistance to other entities, across the Government, related to recovery efforts, as required. The CRRO will provide the centralized oversight and financial controls that the Government of Puerto Rico and the U.S. taxpayers expect for the recovery effort. It will also ensure that the Government implements reconstruction efforts with efficiency and transparency, and capitalize on opportunities to build back in a manner that makes Puerto Rico better, smarter, stronger, and more resilient.

The Executive Order established the CRRO as a division within the Authority. The Authority was created by the Public-Private Partnerships Act, Act No. 29-2009, as amended (Act), which states that the public policy of the Government is to favor and to promote the establishment of public-private partnerships (PPPs or P3s) for the creation of certain Priority Projects (as such term is defined in the Act) and among other things, to further the development and maintenance of infrastructure facilities, share with the private sector the risk involved in the development, operation or maintenance of such projects, improve the services rendered and the functions of the Government, encourage job creation and promote Puerto Rico's socio-economic development and competitiveness. The Authority is also empowered to receive and administer funds from the Federal government, and finance the construction, rehabilitation, reparation, preservation and replacement of infrastructure.

The Act provides that the PPP public policy shall maintain such controls as are necessary to protect the public interest and to comply with certain transparency requirements. The Authority was created pursuant to the Act as a public corporation of the Government. The Authority has a proven governance structure with a five-member Board of Directors and competent personnel with expertise in infrastructure procurement.

1.3 Contract Term

The term of the contract that will be awarded at the end of this RFP process will commence upon CRRO's execution of the contract and will extend for three consecutive Puerto Rico fiscal years. Puerto Rico fiscal years run from July 1st of each year to June 30th of next year. Upon the acceptance of the final release, the contract will be deemed satisfied. The CRRO and the Authority reserve the right to re-bid the contract after the completion of the three-year period or under several contract breach circumstances from the Selected Proponent.

1.4 Proposal Submission

Proposals are to be submitted on Thursday, February 22, 2018, no later than 12:00 p.m. Atlantic Standard Time. Responses to the RFP submitted after the prescribed deadline may not be accepted.

The Respondent shall submit electronically only to the following email address and to the attention to:

Central Recovery and Reconstruction Office of Puerto Rico,
a division within the Puerto Rico Public-Private Partnerships Authority
Disaster Recovery Strategic & Compliance Services RFP
Attention: Omar J. Marrero, Esq. – Executive Director PPP Authority
Email: Info@crro.pr.gov

Physical Address:
Roberto Sánchez Vilella Government Center, De Diego Ave
San Juan, PR 00940-2001

Proposals can also be delivered in paper format to the CRRO’s physical address, but it is the CRRO’s and the Authority’s preference to receive proposals in electronic format only to the email specified above. All Respondents must submit a redacted copy of their proposal as required in Section 5.0 Confidentiality of Responses & Proprietary Information.

1.5 Prohibited Communications, Expenses, and Rejections

Communications with other representatives of the Government of Puerto Rico or relevant entities of Federal Government regarding any matter related to the contents of this RFP are prohibited during the submission and selection processes. Failure to comply with these communications restrictions will result in rejection of the firm’s proposal.

Neither the Government of Puerto Rico nor any of its instrumentalities, will be responsible for any expenses in the preparation and/or presentation of the proposals, oral interviews or for the disclosure of any information or material received in connection with this RFP.

The Government of Puerto Rico and/or the Authority reserve the right to reject any and all proposals received in response to this RFP, when determined to be in the Government’s best interest, and to waive minor noncompliance in a proposal. The Government of Puerto Rico and/or the Authority further reserves the right to make such investigations as it deems necessary as to the qualifications or perceived conflicts of interest of any and all firms submitting proposals in response to this RFP. The mere appearance of a conflict of interest shall constitute sufficient

cause for the outright rejection of a proposal(s). In the event that any or all proposals are rejected, the Government of Puerto Rico and/or the Authority reserve the right to re-solicit proposals.

1.6 Local Participation

The Authority encourages Respondents to engage local subcontractors, professionals and relevant service providers headquartered in Puerto Rico (“Local Parties”) as Team Members and Key Individuals to the greatest extent possible.

Respondents are strongly encouraged as part of this RFP to provide descriptions of their current and/or anticipated business arrangements with Local Parties and, in particular, Local Parties who are Team Members and Key Individuals for the Project, as applicable.

1.7 RFP Timeline

Target Date	Event
February 12, 2018	Release of RFP
February 22, 2018	Proposal Submission Deadline – 12:00 p.m. (Atlantic)
February 26, 2018	Finalist Interviews (if applicable)
February 28, 2018	Target Date for Selection

Please note that the RFP timeline includes target dates that may change. It is the responsibility of Respondents to periodically review the Authority website for regular updates to the RFP timeline and other important information.

1.7 Definitions/Acronyms

“**Bidder**”, “**Proponent**” or “**Respondent**” means a(n) (i) natural person, (ii) legal person, (iii) joint venture, or (iv) partnership, or (v) consortium of individuals, and/or partnerships, and/or companies or other entities that submit a response to this RFP that is not currently debarred.

“**CDBG**” refers to the Community Development Block Grant program, which is a flexible program that provides communities with resources to address a wide range of unique community development needs.

“**CDBG-DR**” refers to the Community Development Block Grant-Disaster Recovery is an allocation of additional funding specifically for disaster recovery purposes.

“Contractor” or **“Selected Proponent”** means a bidder or proponent awarded a contract resulting from this RFP.

“DOJ” means the United States Department of Justice.

“DRGR” refers to the Disaster Recovery Grant Reporting. A system developed by HUD's Office of Community Planning and Development for the Disaster Recovery CDBG program and other special appropriations.

“Executive Director” refers to the Executive Director of the Puerto Rico Public-Private Partnerships Authority.

“Evaluation Committee” refers to a committee designated by the Authority's Board of Directors upon recommendations of the Executive Director, which will evaluate all complete proposals pursuant to the criteria listed in Section 3.0 of this RFP.

“FAFAA” means The Puerto Rico Fiscal Agency and Financial Advisory Authority, created by virtue of Act No. 2-2017.

“Federal Agency” means any of the departments of the Executive Branch of the Government of the United States of America, or any department, corporation, agency or instrumentality created or which may be created, designated or established by the United States of America.

“FEMA” means the United States Federal Emergency Management Agency.

“GSA” means the United States General Services Administration.

“Government Entity”, as such term is defined in the Executive Order, refers to any department, agency, board, commission, body, bureau, office, public corporation or instrumentality of the Executive Branch, whether existing or to be created in the future.

“HUD” refers to the United States Department of Housing and Urban Development.

“OMB” means the Federal Office of Management and Budget.

“Key Individuals” means an individual who will play an important role in the engagement or contract on behalf of a Team Member resulting from this RFP.

“Local Parties” means local subcontractors or professionals (including architects and consulting engineers) and relevant service providers who are based in or have a significant on-going business presence in Puerto Rico.

“Public Interest” means any government action directed to protecting and benefiting citizens at large, whereby essential goods and services are provided for the welfare of the population.

“Public-Private Partnership, “Partnership”, “PPP” or “P3” means any agreement between a Government Entity and one or more persons, subject to the public policy set forth in the Act, the terms of which are provided under a Partnership Contract, as defined in the Act, to delegate operations, functions, services, or responsibilities of any Government Entity, as well as for the design, development, finance, maintenance or operation of one or more facilities, or any combination thereof.

“Puerto Rico Public-Private Partnership Authority” or “Authority” means a public corporation of the Government of Puerto Rico created by virtue of Section 5 of the Act.

“RFP” means this Request for Proposals and addenda issued by the Authority.

“Section 428” means the alternative procedures for the Public Assistance (PA) program under sections 403(a)(3)(A), 406, 407 and 502(a)(5) of the Stafford Act as authorized by the Sandy Recovery Improvement Act of 2013.

“Team Member” means a member of a Respondent. Team Members should be identified in Respondents’ submissions and not be changed without the consent of the Authority.

2.0 Scope of Services

The CRRO is seeking to select a qualified firm or team to provide Disaster Recovery Strategic and Compliance Services to monitor Puerto Rico’s recovery efforts and compliance and reporting responsibilities with both Federal and State Government requirements, for the use and acquisition of appropriated disaster assistance funding related to DR-4336 and DR-4339. Some of these services shall also serve to craft a reconstruction framework in compliance with infrastructure reform and capital investment requirements from the Fiscal Oversight and Management Board (FOMB), as part of the ongoing certification process for the Amended Fiscal Plan recently submitted by the Government under the Puerto Rico Oversight Management and Economic Stability Act (PROMESA).

Qualified firms should have experience in all aspects of strategic and compliance services associated with disaster recovery programs in the aftermath of hurricane or natural disasters and how they relate to Federal funding. Consideration will be given to respondents that have prior experience with Section 428 of the Stafford Act. It is anticipated that the successful respondent will be prepared to immediately implement best practices for strategic and compliance services.

As indicated in Section 1.0, the scope of services covers five key areas associated with disaster strategic and compliance services: 1) Organizational Assistance and Governance, 2) Establishment of Procedures, Processes, and Controls, 3) Financial Management and Auditing,

4) Reporting and Monitoring and 5) Close-out Services. Below is a description of the services under each area:

Organizational Assistance and Governance

- Provide support related to the formulation of the needed organization and budget structure to sustain the overall recovery efforts.
- Assess the resources to perform workload analysis; skills gap analysis, organizational effectiveness and workforce recruiting strategies.
- Provide and/or identify training for staff in the area of detection and prevention of fraud, waste and abuse.
- Provide the needed support to comply and implement the requirements set forth in the Bipartisan Budget Act of 2018 that are related to disaster and recovery matters.
- Develop a short, medium, and long-term recovery strategies and plan.
- Improve use of federal funding to assist with recovery efforts including assistance in the identification of opportunities to identify grants to meet government recovery funding requirements.
- Provide knowledge and expertise associated with developing a framework for reconstruction that incorporates resiliency measures to build to a risk-adjusted level.
- Provide knowledge and expertise associated with the environmental review and permitting process with opportunities for accelerated review where appropriate.
- Provide knowledge and expertise associated with procurement and delivery best practices and lean construction practices.

Establishment of Procedures, Processes, and Controls

- Formulate and establish procedures to manage the grants in accordance with United States Federal Government (“Federal”) and Puerto Rico specific regulations.
- Development of processes, controls and technologies to support the execution of the following FEMA-administered programs: Public Assistance, Hazard Mitigation, and Individual Assistance; HUD-administered Community Development Block Grant (CDBG) program; and other Federal and Puerto Rico grant and assistance programs in compliance with Federal and Puerto Rico guidance.
- Map the flow of documentation and requirements, and related policies and procedures required for transparent program administration of disaster recovery funds.

- Conduct compliance tasks and formulate processes to confirm that Federal and Puerto Rico funds have been accounted for in accordance to grant requirements.
- Provide assistance for designing internal controls, improve existing internal controls, and establish reporting tools.
- Provide assistance related to the management and of funds requested and received. Participate in meetings with Federal grant agencies as required by CRRO.
- Develop a Compliance Sanctions Program for those applicants that fail to meet Federal and Puerto Rico program requirements.
- Formulate and assist with the implementation of required administrative and management action plans.
- Formulate and assist with implementation of training for applicants to understand compliance requirements for federal grant funds.
- Conduct risk analysis and identify options for risk management for the Federal and Puerto Rico grant payment process.
- Provide services to reduce the reconciliation backlog for the Request for Reimbursements process.
- Assess applicant agreements for compliance with federal regulations.
- Review and improve procedures addressing reimbursement review backlog and financial management.
- Formulate the checklists necessary to assess whether applicant files are completed and in compliance with federal requirements.
- Assist with account reconciliations necessary to control and report on existing project worksheet accounts, applicant balances, system interfaces, and other control balances.
- Establish quality assurance / quality control reviews and assessments associated with the payments process to ensure that they are in compliance with Federal and Puerto Rico regulations and conform to industry's best practices.

Financial Management and Auditing

- Provide assistance in the formulation of processes to draw down and manage federal funds.
- Provide assistance in formulating and implementing the reconciliation of funding to disbursements to bank accounts.

- Coordinate with other agencies of the government of Puerto Rico to ensure linkage between financial data and grant management tools.
- Design and implement the processes and/or procedures for advances and reimbursements.
- Assist with design and execution of a process for monitoring fraud, waste and abuse.
- Develop and execute processes to request and track Puerto Rico management costs and direct administrative costs.
- Provide technical knowledge and expertise to assist in the integration of the Electronic Grants management program into the State finance and accounting system.
- Review and make recommendations to streamline the grant management and fiscal management processes and to ensure accountability of funds and compliance with Federal and State program regulations.
- Provide tools to be utilized by Using Agencies for the assessment of the performance of the financial transaction processes.
- Ensure compliance with all applicable Federal and Puerto Rico accounting and financial reporting requirements.

Reporting and Monitoring

- Formulate and implement Federal and Puerto Rico specific financial reporting requirements.
- Prepare quarterly progress reports and other reports related to disaster funds as required.
- Retain all records, documents, and communications of any kind (including electronic disk or print form) that relates in any manner to the award and performance of this contract, as required by Puerto Rico and Federal regulations.
- The contractor shall maintain all records related to products, transactions or services under this contract for a minimum period of four (4) years from the date of final payment. Such records shall be made available to the CRRO, for audit and review, upon request pursuant to Puerto Rico and Federal requirements and disclose to other parties for audit and review. Record retention beyond the four (4) year mark may be necessary and will be directed by the Authority.
- Develop dashboards and reports that promote transparency, efficiency and accountability.
- Implement a risk based applicant monitoring process including the required Single Audit desk reviews and site visits required by Federal regulations, as well as monitoring for

waste, fraud and abuse.

- Provide assistance with establishing disaster specific annual financial reports.
- Provide technical assistance as required to applicants.
- Formulate and perform a risk based applicant monitoring plan and methodology and perform desk and on-site analyses.
- Assist in preparing Puerto Rico for third party audits and reviews including programmatic audits, inspector general audits, and the annual single audit.
- Assist with preparation of responses and corrective action plans for third party audits and reviews.
- Assist in providing reports to FAFAA, on as needed basis in connection to Puerto Rico existing and revised Fiscal Plans.
- Develop anti-fraud metrics and analytics and reports.

Close-Out

- Provide assistance in the formulation and execution of project close-out procedures to close projects and Federal recovery grants in compliance with Federal close-out requirements.
- Provide assistance in project close-out tasks to applicants preparing close-out procedures.

2.1 Deliverables

Respondents shall outline the types of deliverables and timelines they produce, in performing the services being procured through this RFP. At a minimum, the key deliverables to be provided shall include such items as:

- Comprehensive reports on actions taken and advice given.
- Work papers and analysis providing information about the process used to develop reports.
- White papers on process limitations in existing programs or efficiencies to be gained (if any) after review.
- Discussion of any potential concerns from Federal agencies (i.e. HUD) or findings, as well as a corrective plan of action.

- Analysis and recommendations with regards to applicant's management.
- Quarterly reports on activities.
- Reporting and updating timelines.
- Project work plans, timeframes, and budget tools.
- Proposed system(s) and template(s) used to capture and report information.

3.0 Evaluation and Selection

The CRRO and the Authority will examine all proposals in a proper and timely manner to determine if they meet the proposal submission requirements. Proposals that are materially deficient in meeting the submission requirements or have omitted material documents, in the sole opinion of the CRRO, may be rejected. All proposals meeting the proposal submission requirements will be evaluated.

Each proposal meeting all submission requirements will be independently evaluated by the Evaluation Committee, which will assign a score for each evaluation criterion listed below in this section up to the maximum points.

The CRRO may request further clarification to assist the Evaluation Committee in gaining additional understanding of proposal. A response to a clarification request must be to clarify or explain portions of the already submitted proposal and may not contain new information not included in the original proposal.

Complete proposals will be preliminarily scored based upon the criteria listed below.

Experience and Capacity (30 points)

Respondents must demonstrate experience and success in implementing federal disaster recovery programs and/or providing advisory, consulting, and project management support services for federal disaster recovery programs. Particular consideration will be given to respondents who have knowledge and expertise in CDBG-DR, Section 428, knowledge and expertise in housing, energy, construction industry and a track record of robust financial controls, auditing capabilities and proven compliance experience. Previous experience with hurricane relief funded programs, will be factored into experience. Respondents must have experience related to federally funded disaster recovery programs and significant infrastructure projects. Respondents that demonstrate they have the staff available to begin immediately will be scored higher than those who need more time, or whose responses are vague.

Approach and Methodology (20 points)

Respondents that outline a clear and straightforward approach to staffing and working with CRRO to provide expert/strategic advisory and compliance support services will score higher, than those that do not. Respondents shall identify key goals and objectives, and methods for achieving high standards for the delivery of services, in expectation of meeting or exceeding these goals. Respondents shall explain how they will be organized to effectively deploy support for CRRO and clearly identify engagement manager and different workstream leaders. In addition, Respondents shall demonstrate understanding of the magnitude of the recovery efforts in Puerto Rico in the aftermath of Hurricanes Irma and Maria.

Price Proposal (20 points)

Proposals will be scored based on price proposal format provided. Respondents that clearly identify a plan for reducing program costs over the life of the program as key milestones are reached and volume of activity reaches natural break points, and that identifies a clear plan for cost savings measures and/or efficiencies, will receive the most points. Respondents shall clearly align position titles, job descriptions and rates in their proposal.

Commitment to Complying with all Applicable Federal, and Puerto Rico Regulations (20 points)

Respondents who demonstrate a commitment to complying with all applicable Federal and Puerto Rico regulations. Adherence to strong ethical and integrity practices and unequivocal commitment to solid administrative practices is essential for the CRRO and the Authority. Understanding of Federal and local requirements is essential and will be highly considered.

Integration of Local Parties (10 points)

Respondents that demonstrate a strategic integration of Local Parties will receive positive remarks on this criterion. It is the responsibility of the CRRO to encourage Respondents to engage Local Parties as Team Members and Key Individuals (particularly with respect to design, construction, operations and maintenance and equity providers) to the greatest extent possible. Despite that the scope of services pertains to numerous Federal regulations, the services will be rendered for the benefits of Puerto Rico, which requires clear understanding of local regulations, policy frameworks and infrastructure and fiscal challenges of the Island. Local Parties can significantly complement the services of U.S. based firms and enhance the effectiveness of Respondents in the implementation and deployment of the required services.

3.1 Finalist Interview

The CRRO reserves the right, at its sole discretion, to invite qualified respondents to a finalist interview with the Evaluation Committee. If CRRO elects to conduct finalist interviews, each qualified respondent will be required to give a strictly timed 20-minute presentation. This

presentation shall highlight expertise and prior strategic advisory and compliance services provided for similar organizations. The presentation shall also clearly explain the respondent's approach and team composition. The Evaluation Committee may alter the scoring of a qualified respondent's proposal based upon the presentation. Respondents are responsible for all costs or expenses incurred to attend such interview.

3.2 Selection

Following completion of the evaluation process the Evaluation Committee will meet to choose the Selected Proponent.

4.0 Respondent Requirements

4.1 Requirement of Legal Entities

Respondents that are corporations, partnerships, or any other legal entity, U.S. or Puerto Rico based, shall be properly registered or capable to be registered to do business in Puerto Rico and the U.S. at the time of the submission of their proposals, and comply with all applicable Puerto Rico or U.S. laws and/or requirements.

4.2 Required Qualifications of Respondent

Respondents to this RFP shall provide information in their proposals that demonstrates the following qualifications:

- Respondent has adequate financial resources to perform the contract, or the ability to obtain them; financial statements for the past 2 years will be required or equivalent financial records must be included in the proposal.
- Respondent is able to comply with an accelerated delivery or performance schedule.
- Respondent has a satisfactory performance record.
- Respondent has a satisfactory record of integrity and business ethics.
- Respondent has the necessary organization, experience, accounting and operational controls, and technical skills.
- Neither respondent nor any person or entity associated who is partnering with respondent has been the subject of any adverse findings that would prevent CRRO from selecting respondent. Such adverse findings include, but are not limited to, the following:
 - Negative findings from a Federal Inspector General or from the U.S. Government Accountability Office, or from an Inspector General in another state.
 - Pending or unresolved legal action from the U.S. Attorney General or from an attorney

general in Puerto Rico or another state.

- Pending litigation with the Government of Puerto Rico, or any other state.
- Arson conviction or pending case
- Harassment conviction or pending case.
- Puerto Rico and Federal or private mortgage arrears, default, or foreclosure proceedings
- In rem foreclosure.
- Sale tax lien or substantial tax arrears.
- Fair Housing violations or current litigation.
- Defaults under any Federal and Puerto Rico-sponsored program.
- A record of substantial building code violations or litigation against properties owned and/or managed by respondent or by any entity or individual that comprises respondent.
- Past or pending voluntary or involuntary bankruptcy proceeding.
- Conviction for fraud, bribery, or grand larceny.

4.3 Proposal Format

The respondent's proposal shall be formatted as follows:

4.3.1 Cover Letter and Table of Contents (2 pages)

Provide a cover letter that includes a certification that the information submitted and the Proposal is true and accurate, and that the person signing the cover letter is authorized to submit the Proposal on behalf of the respondent. Clearly identify the designated contact person for the engagement.

Provide a table of contents that clearly identifies the location of all material within the Proposal by section and page number.

4.3.2 Experience and Capacity (8-12 pages)

Provide a summary of the types of services the respondent offers that relates to this RFP. Provide specific details on any previous experience with federally funded disaster recovery programs and projects. Identify engagement and or staff experience with entities comparable to CRRO for which the respondent provides or has provided, similar services within the last (10) years. Respondents must indicate the dollar value of the recovery disaster program for which has provided similar services to the ones contemplated in their RFP. Detail at least one to three (1-3) similar engagements and/or experience with private and public-sector clients that would demonstrate that the respondent can provide the requested services. Each example should include:

- a) Name of client organization.
- b) Description of engagement or experience and objectives of the project including beginning and ending dates.
- c) Examples of recommendations offered to the client and the results of the implementation of those recommendations.
- d) Information regarding the project that would demonstrate successfully experiences by the client, as a result of the recommendations. This may include performance metrics and improvements.
- e) If the example involves a private sector client, describe how the experience could be applied to the public sector.
- f) Description of Federal funding programs managed during the engagement.
- g) Description of key infrastructure programs or projects advanced as part of the engagement, if any.

CRRO may seek information from references regarding subjects that include, but are not limited to, the quality of services provided, anticipated ability to perform the services required in this RFP and the responsiveness of the respondent to the client during the engagement. Please provide at least three (3) references for the prime Respondent and two (2) for any partners or sub-contractors. Each reference should include the name, title, company, address, phone number and email address of the reference. Inability to contact a reference will not be looked upon favorably.

Provide a summary of the Respondent's technical expertise that describes the respondent's unique capabilities. This narrative should highlight the Respondent's ability to provide Disaster Recovery Strategic and Compliance Services. Provide biographical summaries for Key

Individuals and their proposed roles. Resumes can be attached as an appendix and will not count toward the page limit of the proposal.

In addition, identify any sub-consultants and Local Parties incorporated into the team and clearly explain their expertise, expected role and value to the engagement.

Specify the primary contact person for the respondent (name, title, location, telephone number, and e-mail address).

4.3.3 Approach and Methodology (4-8 pages)

Explain how the respondent will achieve the goals, objectives, tasks, and deliverables outlined in the Scope of Services for this RFP. Specifically address how the Respondent proposes to effectively assist the CRRO with each individual area of the Scope of Services (Governance and Organizational Assistance, Establishment of Processes, Procedures and Controls, Financial Management and Auditing, Reporting and Monitoring and Close-Out) and how the Respondent intends to cohesively delivery all the services in an organized manner. Indicate why the proposed approach is appropriate and suited for Puerto Rico and Federal requirements associated to disaster recovery efforts.

Proposals must provide examples of how the proposed approach has achieved success in specific, relevant projects for public or private sector organizations similar in size and complexity to the Puerto Rico Government and/or the magnitude of the post-hurricane devastation. The examples should contain enough information for the evaluators to ascertain the success of the projects accomplished by the Respondent.

This section must include an acknowledgement that, if selected, the Respondent has the ability to respond with sufficient key and line staff and the proposed Key Individuals.

Identify existing staff that will be involved in ongoing strategic recovery and compliance services, including each staff member's proposed role in the organization, their relevant qualifications, and the allocation of their time to this engagement. Clearly identify the members of the team that are expected to be residing in Puerto Rico and will serve as local contacts for the engagement purposes.

4.3.4 Price Proposal

Respondents are required to submit their price proposal in accordance to the Price Proposal Form (Attachment 1). CRRO is interested in obtaining three components of the Respondents' pricing:

- Component 1: hourly rates of all team members,

- Component 2: estimate of the aggregated price of the proposal, and
- Component 3: estimate of budget needed for any reimbursable expenses associated with traveling and lodging. Respondents are encouraged to consider GSA rates for this estimate.

With respect to Component 1 of the Price Proposal, Respondents can add as many rows as needed for relevant and related labor categories. For any additional labor categories, the Respondent must provide a name and title of the team member. Do not leave blanks or enter a zero-dollar amount for any rate. Enter hourly rates showing up two decimal points. List the rates for the entire three-year term of the contract. The rates included in the proposal should be the respondent's lowest discounted governmental rates.

With respect to Component 2, Respondents should make their best efforts to arrive at an aggregated total price estimation and total hours estimation. Respondents can provide a list of assumptions and qualification's underlying the estimate to provide context for the estimation.

Respondents that regularly use pricing models, other than what is required in this RFP may elect to submit an Alternate Cost Structure along with their completed Price Proposal Form. The Alternate Cost Structure shall clearly describe the pricing model used by the respondent and provide a clear explanation of how the rates proposed on the Price Proposal Form correlate to the fees described in the Alternate Cost Structure. If electing to submit an Alternate Cost Structure, the respondent must also submit a completed Price Proposal Form in accordance with the instructions above. Respondents that do not submit a completed Price Proposal Form will not be evaluated.

For CRRO to consider an Alternate Cost Structure, the proposal must include:

- A completed Price Proposal Form with hourly rates
- A detailed description of the Alternate Cost Structure, including staff qualifications, number of hours worked per unit billed, rate (daily, weekly), and other relevant information
- A detailed explanation of how the hourly rates proposed in the Price Proposal Form equate to the Alternate Cost Structure

4.3.5 Commitment to Complying with all Applicable Federal and Puerto Rico Local Regulations (2-4 pages)

Respondents shall explain their adherence to complying with all applicable Federal and Puerto Rico regulations. Indicate what characteristics of the team set them apart in terms of commitment to comply with all laws and requirements. Indicate what specific trainings and expertise reside within the team that reinforces the commitment to compliance.

4.3.6 Local Parties (1-4 pages)

The CRRO, the Authority and the Government of Puerto Rico have the objective of fostering the participation of Local Parties in the provision of professional services and local expertise. Explain how the Local Party(ies) will add value to the team and their expected role. Identify the Key Personnel from the Local Party(ies) and provide an indication of the expected level of involvement on the day-to-day activities and interaction with the CRRO.

5.0 Confidentiality of Responses & Proprietary Information

Upon completion of the RFP process, the CRRO and the Authority will make public its report regarding the procurement and selection process, which shall contain certain information related to this RFP process, except trade secrets, pricing and proprietary or privileged information of the Respondents. Information considered trade secrets or non-published financial data may be classified as proprietary by the Respondents. All Respondents are required to submit a redacted copy of their proposal. The CRRO reserves the right to make public the redacted copies of the proposals at the conclusion of the RFP process. If a redacted copy is not submitted by a Respondent, the CRRO will assume that the original copy of the proposal can be made public. Proposals containing substantial contents marked as confidential or proprietary may be rejected by CRRO. Provision of any information marked as confidential or proprietary shall not prevent CRRO from disclosing such information if required by law. The ultimately awarded contract(s) and all prices set forth therein shall not be considered confidential or proprietary and such information may be made publicly available.

6.0 Conflicts of Interest

Any contract awarded under this RFP will preclude the selected respondent from representing before the CRRO or the Authority any bidder other than those bidders or grantees who may be assigned under this contract during the period the contract is in effect. Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts (the "Ethics Guidelines") and other ethic regulations listed in the Executive Order. Prospective Respondents should review the Ethics Guidelines, which are available for download on the Authority's website: <http://www.p3.pr.gov>.

Respondents are required to provide a list of any other current or former advisory contracts the firm has/had with any Government Entity in Puerto Rico, or which bear any direct or indirect relation to the activities of the Government of Puerto Rico. Further, please provide a description of any recent historical or ongoing legal proceedings, interviews or investigations being conducted by any U.S. law enforcement agencies involving your firm or team that are related to transactions executed in or on behalf of the Government of Puerto and/or its public corporations. In addition, please provide a brief description of any work you have performed for any creditors or guarantors of the Government of Puerto Rico or any public corporation debt about their positions in Puerto Rico debt obligations. Indicate whether this activity is ongoing, and if not, when the prior assignment concluded.

At some point in the selection process, the CRRO may request information on any perceived conflict of interests. Also, the CRRO or the Authority may in the future request a list of direct or indirect relationships the firm or its professionals have to members of the PPPA or Board Members or executives of other Public Corporations.

In the event of real or apparent conflicts of interest, CRRO reserves the right, in the Government's best interest and at its sole discretion, to reject a proposal(s) outright or to impose additional conditions upon Respondents. CRRO reserves the right to cancel any contract awarded pursuant to this RFP with 30 days' notice in the event that an actual conflict of interest, or the appearance of such conflict, is not cured to CRRO's satisfaction.

7.0 Proposal Additional Information

7.1 Rejection of Proposals; Cancellation of RFP; Waiver Informalities and Withdrawal Proposal

Issuance of this RFP does not constitute a commitment by CRRO and the Authority to award a contract. The CRRO reserves the right to accept or reject, in whole or part, and without further explanation, any or all proposals submitted and/or cancel this solicitation and reissue this RFP or another version of it, if it deems that doing so is in the best interest of the impacted communities or the Government of Puerto Rico.

The CRRO reserves the right to waive any informalities and/or irregularities in a proposal if it deems that doing so is in the best interest of the impacted communities or the Government of Puerto Rico.

A respondent may withdraw a proposal at any time up to the date and time the contract is awarded. The withdrawal must be submitted in writing and directed to the PPP's Executive Director.

7.2 Ownership of Proposal

All materials submitted in response to this RFP shall become the property of CRRO. Selection or rejection of a proposal does not affect this provision.

7.3 Cost of Preparing Proposals

All costs associated with the response to this proposal are the sole responsibility of the Respondent.

7.4 Errors and Omissions in Proposal

CRRO reserves the right to reject a proposal that contains an error or omission. CRRO also reserves the right to request correction of any errors or omissions and/or to request any clarification or additional information from any respondent, without opening up clarifications for all respondents.

8.0 Payment Terms & Method of Payments

The Selected Proponent will be paid by services provided previously approved by the CRRO. It is the Selected Proponent's responsibility to include all services required to meet the engagement's objective as established in this RFP.

8.1 Payment Terms

Payment will be made upon presentation of invoice evidenced by the services provided and duly authorized by the CRRO. If the CRRO finds the submitted invoice as acceptable, then the invoice will be approved and processed for payment promptly after submission of the invoice. The Authority reserves the right to review the correctness of invoices and perform the audits as it deems fit.

8.2 Method of Payment

The Selected Proponent shall submit monthly invoices for the agreed fees. Invoices must be detailed, specific and itemized accompanied by a description of the services provided as previously approved by the CRRO. In addition, it shall be noted that no public servant of the contracting entity is a party or has interest on the profits or benefits product from the contract, regarding the invoice and if it does have interest in some part of the profits or benefits of the contract it must specify that a waiver has been mediated. The CRRO shall request the Selected Proponent all the necessary information, related to the invoiced expenses, in order to verify them, previous to order the release of payment.

The CRRO reserves the right to perform audits it deems appropriate. In the case of finding unpaid invoices, they shall approve and process its payments.

The Selected Proponent will deliver the original invoice to the office in the CRRO requesting the service or its authorized representative; such invoice must be properly completed and certified by the Selected Proponent. Such office will work it promptly upon receipt, it will then be duly certified by the Authority or its authorized representative, in accordance with the Accounting Act law following the standards established by enforcement agencies of the Government of Puerto Rico.

9.0 General Federal Grant Requirements

Because the contract is being funded with federal funds, the contract shall be governed by certain federal terms and conditions for federal grants, such as the OMB applicable circulars. Respondent shall provide a description of experience with such grant requirements and affirmatively represent and certify that the respondent shall adhere to any requirements of applicable federal requirements. Any funds disallowed by any federal government entity shall be disallowed from fee or compensation to contractor. In addition, this RFP is intended to be conducted in accordance to 2 CFR 200 which clearly outlines the methods of procurement to be followed by non-federal entities.

10.0 HUD General Provisions

Because the contract may involve funds from HUD, the contract shall be governed by certain general HUD terms and conditions, attached hereto as Appendix II. Respondent shall provide a description of experience with such requirements and affirmatively represent and certify that the respondent shall adhere to the terms and conditions set forth at Appendix II, and any subsequent changes made by HUD.

11.0 Federal General Provisions

Because the contract may involve funds from other federal agencies, the contract shall be also governed by any specific terms and conditions set forth by a federal agency. In such case, Respondent shall provide a description of experience in dealing with any other requirements established by that other federal agency and affirmatively represent and certify that the respondent shall adhere to the terms and conditions set forth by that agency.

Attachments and Appendices

1. Attachment I – Price Proposal Form
2. Attachment II – HUD General Provisions

Attachment I
Price Proposal Form Rates

Respondent Name: _____

Price Proposal Component #1:

Names	Title	Hourly Rates		
		2017-18 FY*	2018-19 FY**	2019-20 FY**
	Managing Director			
	Engagement Manager			
	Area Specialist			
	Area Specialist			
	Technical Analyst			
	Technical Analyst			

* Hourly rates should correspond to Puerto Rico fiscal years, which run from July 30 to June 30.
Add as many rows as needed for relevant and related labor categories.

Price Proposal Component #2:

Provide the best estimation of total amount of hours and aggregated price of proposal.

Price Proposal Component #3:

Respondents should provide an estimate of the expected needed budget for traveling and lodging expenses. Reimbursable expenses shall be pre-authorized by the CRRO.

Attachment II

HUD General Provisions

Given that the contract may involve funding from the U.S. Department of Housing and Urban Development, the following terms and conditions may apply to any purchase orders issued by the Puerto Rico Central Recovery and Reconstruction Office (CRRO). In addition, Contractor shall make sure whether compliance Federal Labor Standards Provisions set forth in Form HUD-4010 is required.

The Contractor shall flow these terms and conditions down to all subcontractors directly servicing the contract or purchase order.

These general provisions may be updated from time to time. It is the sole responsibility of the Contractor to be aware of any changes hereto, to implement such changes when effective, and to flow such changes down to its subcontractors, 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 contract shall be deemed to be inserted herein and the contract 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 contract shall forthwith be physically amended to make such insertion or correction.

2. STATUTORY AND REGULATORY COMPLIANCE

Contractor shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2), 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 the allowability of certain expenses.

3. BREACH OF CONTRACT TERMS

The Government of Puerto Rico reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of this contract, in instances where the Contractor or any of its subcontractors violate or breach any contract term. If the Contractor or any of its subcontractors violate or breach any contract term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

4. REPORTING REQUIREMENTS

The Contractor shall complete and submit all reports, in such form and according to such schedule, as may be required by the Government of Puerto Rico. The Contractor shall cooperate with all Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 24 C.F.R. §§ 85.40-41 (or 84.50-52, if applicable) and 570.507.

5. ACCESS TO RECORDS

The Government of Puerto Rico, the U.S. Department of Housing and Urban Development, 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 Contractor which are related to this contract, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

6. MAINTENANCE/RETENTION OF RECORDS

All records connected with this contract will be maintained in a central location and will be maintained for a period of at least four (4) years following the date of final payment and close-out of all pending matters related to this contract.

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

The Contractor 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:

- (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 Contractor shall file Form HUD 2516 (Contract and Subcontract Activity) with CRRO on a quarterly basis. A copy of that form is available at <http://www.hud.gov/offices/adm/hudclips/forms/files/2516.pdf>.

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

The Contractor shall comply with the provisions of Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

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

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

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

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

The Contractor agrees that no qualified individual with handicaps shall, solely on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected

to discrimination under any program or activity that receives Federal financial assistance from HUD.

12. AGE DISCRIMINATION ACT OF 1975

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

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

The Contractor shall notify the Government of Puerto Rico as soon as possible if this contract or any aspect related to the anticipated work under this contract raises an actual or potential conflict of interest (as defined at 2 C.F.R. Part 215 and 24 C.F.R. § 85.36 (2013) (or 84.42 (2013), if applicable)). The Contractor shall explain the actual or potential conflict in writing in sufficient detail so that the Government of Puerto Rico is able to assess such actual or potential conflict. The Contractor shall provide the Government of Puerto Rico any additional information necessary for the Government of Puerto Rico to fully assess and address such actual or potential conflict of interest. The Contractor shall accept any reasonable conflict mitigation strategy employed by the Government of Puerto Rico, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

15. SUBCONTRACTING

When subcontracting, the Contractor 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 Contractor represents to the Government of Puerto Rico 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 contract.

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

16. ASSIGNABILITY

The Contractor shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation) without prior written approval of the Government of Puerto Rico.

17. INDEMNIFICATION

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

18. COPELAND “ANTI-KICKBACK” ACT (Applicable to all construction or repair contracts)

Salaries of personnel performing work under this contract shall be paid unconditionally and not less often than once a month without payroll deduction or rebate on any account except only such payroll deductions as are mandatory by law or permitted by the applicable regulations issued by the Secretary of Labor pursuant to the Copeland “Anti-Kickback Act” of June 13, 1934 (48 Stat. 948; 62 Stat. 740; 63 Stat. 108; Title 18 U.S.C. § 874; and Title 40 U.S.C. § 276c). The Contractor shall comply with all applicable “Anti-Kickback” regulations and shall insert appropriate provisions in all subcontracts covering work under this contract to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits

required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

The Contractor shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-330) as supplemented by Department of Labor regulations (29 C.F.R. part 5).

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

20. DAVIS-BACON ACT

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

The Contractor shall comply with the Davis Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. part 5).

All laborers and mechanics employed by contractors or subcontractors, including employees of other governments, on construction work assisted under this contract, 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 Contractor shall submit Form HUD 4710 (Semi-Annual labor Standards Enforcement Report) to CRRO. A fillable version of that form is available at <http://www.hud.gov/offices/adm/hudclips/forms/hud4.cfm>.

21. TERMINATION FOR CAUSE (Applicable to contracts exceeding \$10,000)

If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligations under this contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this contract, the the Government of Puerto Rico shall thereupon have the right to terminate this contract by giving written notice to the Contractor 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 Contractor under this contract shall, at the option of the Government of Puerto Rico, become the Government of Puerto Rico's property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the Contractor shall not be relieved of liability to the Government of Puerto Rico for damages sustained by the Government of Puerto Rico by virtue of any breach of the contract by the Contractor, and the Government of Puerto Rico may withhold any payments to the Contractor for the purpose of set-off until such time as the exact amount of damages due to the Government of Puerto Rico from the Contractor is determined.

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

The Government of Puerto Rico may terminate this contract at any time by giving at least ten (10) days' notice in writing to the Contractor. If the contract is terminated by the Government of Puerto Rico as provided herein, the Contractor will be paid for the time provided and expenses incurred up to the termination date.

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

The Contractor 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 Contractor 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 Contractor 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 contractor;
 - (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 contractor including social or recreational programs; and
 - (ix) Any other term, condition, or privilege of employment.
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- 2) The Contractor 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 Contractor'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 Contractor 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 Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The Contractor must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the Contractor 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 Contractor will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor 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 Contractor will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including

action for noncompliance.

24. EXECUTIVE ORDER 11246

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

The Contractor 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 CFR chapter 60).

During the performance of this contract, the Contractor agrees as follows:

- 1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- 2) The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-discrimination clause. The Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The Contractor will send to each labor union or representative of workers with which he 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 contractor'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 Contractor 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 Contractor 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 Contractor's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor 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) Contractor shall incorporate the provisions of A through G 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 Contractor 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 contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

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

The Contractor 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 Contractor agrees that a breach of this certification is a violation of the equal opportunity clause of this contract.

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

such proposed subcontractors (except where proposed subcontractors have submitted identical certifications for specific time periods).

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

The Contractor and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 C.F.R. Part 15 and 32, as amended, Section 508 of the Clean Water Act (33 U.S.C. § 1368) and Executive Order 11738.

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

- 1) A stipulation by the Contractor or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Part 15, as amended.
- 2) Agreement by the Contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 1857 c-8) 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 contract, 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 contract, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the Contractor that he will include, or cause to be included, the criteria and requirements in paragraph (A) through (D) of this section in every nonexempt subcontract and requiring that the Contractor will take such action as the government may direct as a means of enforcing such provisions.

27. LOBBYING (Applicable to contracts exceeding \$100,000)

The Contractor 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 Contractor, 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 Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- 3) The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

28. BONDING REQUIREMENTS

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

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

- 1) A bid guarantee from each bidder equivalent to five percent 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 bid, execute such contractual documents as may be required within the time specified.
- 2) A performance bond on the part of the Contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the Contractor's obligations under such contract.
- 3) A payment bond on the part of the Contractor for 100 percent of the contract 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.

**29. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968
(As required by applicable thresholds)**

- 1) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- 2) The parties to this contract agree to comply with HUD's regulations in 24 C.F.R. part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- 3) The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- 4) The Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. part 135.
- 5) The Contractor will certify that any vacant employment positions, including training positions, that are filled: (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 C.F.R. part 135.
- 6) Noncompliance with HUD's regulations in 24 C.F.R. part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD

assisted contracts.

- 7) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25U.S.C. § 450e) also applies to the work to be performed under this contract. 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 contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).
- 8) For contracts exceeding \$100,000, the Contractor shall submit Form HUD 60002 (Section 3 Summary Report) to CRRO on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

30. FAIR HOUSING ACT

Contractor 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, handicap 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.

APPENDIX C

LIST OF CERTIFICATIONS PROVIDED BY PROVIDER



1. Sworn Statement Act 2-2018 Anti-Corruption Code for a New Puerto Rico
2. Treasury Department (Income Tax Debt Certification) Form SC 6096
3. Treasury Department (Filing of Income Tax Returns) Form SC 6088 or Form SC 2781
4. Department of Labor and Human Resources
5. Treasury Department (Merchant's Registration) Form SC 2918
6. Treasury Department (Sales and Use Tax Debt Certification) Form SC 2942
7. Treasury Department (Filing of Sales and Use Tax Returns) Form SC 2927
8. Municipal Revenues Collection Center (Personal Property Taxes)
9. Municipal Revenues Collection Center (Real Property Taxes)
10. Child Support Administration
11. Department of State (Organization Documents) Certificate of Incorporation, Certificate of Organization or Certificate of Authorization to do Business in Puerto Rico
12. Department of State (Good Standing Certificate)
13. Articles of Organization (Incorporation) or Partnership Agreement
14. Corporate Resolution of authorized signatures to sign the contract
15. Insurance Policy, if applicable
16. Sworn Statement certifying that consultant has no tax responsibilities with the Government of Puerto Rico

APPENDIX D

LOBBYING CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND
COOPERATIVE AGREEMENTS



The undersigned 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 undersigned, 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 undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, Deloitte & Touche LLP, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 *et seq.*, apply to this certification and disclosure, if any.

Kathie Schwerdtfeger

Signature of Contractor's Authorized Official

Kathie Schwerdtfeger, Partner

Name and Title of Contractor's Authorized Official

June 7, 2018

Date