



GOVERNMENT OF PUERTO RICO
Department of Housing

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)

**AGREEMENT FOR
PROGRAM MANAGEMENT SERVICES
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
INNOVATIVE EMERGENCY MANAGEMENT, INC.**



THIS AGREEMENT FOR PROGRAM MANAGEMENT SERVICES, (hereinafter referred to as the "Agreement") is entered into in San Juan, Puerto Rico, this 15 of July, 2019, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, PRDOH), a public agency created under Law No. 97 of June 10, 1972, as amended, 3 LPRA § 441 et seq., known as the Department of Housing Governing Act with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by Hon. Fernando A. Gil-Enseñat, lawyer, of legal age, married and resident of Guaynabo, Puerto Rico, in his capacity as Secretary; and **Innovative Emergency Management, Inc.** (hereinafter, the "CONTRACTOR"), with principal offices at 2801 Slater Road, Suite 110, Morrisville, NC 27560 herein represented by Ted Lemcke, in his capacity as Chief Operating Officer, of legal age, married, and resident of Wake Forest, North Carolina duly authorized by Resolution by the CONTRACTOR.

WHEREAS, on September 2017, Hurricanes Irma and María made landfall in Puerto Rico causing catastrophic island wide damage, knocking out power, water, and telecommunications for the entire island and its island municipalities. Hurricane María caused major structure and infrastructure damage to family homes, businesses and government facilities triggering the displacement of thousands of residents of the Island from their homes and jobs.

WHEREAS, under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017, signed into law September 8, 2017 (Pub. L. 115-56), \$1.5 billion were allocated by the U.S. Department of Housing and Urban Development (HUD) for disaster recovery assistance to the Government of Puerto Rico under the CDBG-DR. These funds are intended to provide financial assistance to address unmet needs that arise and that are not covered by other sources of financial aid.

WHEREAS, on February 9, 2018, a Notice was published in the Federal Register, Vol. 83, No. 28 (83 FR 5844), that allocated \$1.5 billion for disaster recovery assistance to the Government of Puerto Rico.

WHEREAS, pursuant to a letter dated February 23, 2018 sent by the Governor of Puerto Rico, Ricardo Rosselló Nevares, to the Honorable Benjamin Carson, Secretary of HUD, the PRDOH is the governmental agency designated by the Governor of Puerto Rico as grantee of the CDBG-DR funds allocated to the Government of Puerto Rico.

WHEREAS, on August 14, 2018, an additional allocation of \$8.22 billion for recovery was allocated to Puerto Rico under Federal Register, Vol. 83, No. 157 (83 FR 40314). With these allocations of funding, the PRDOH aims to lead a transparent, comprehensive recovery to benefit the residents of Puerto Rico. PRDOH holds accountability and is committed to the responsible, efficient, and transparent administration of CDBG-DR grant funding. On September 20, 2018, the Governor of Puerto Rico and the Secretary of HUD signed the Grant Agreement.

[Handwritten signatures]

WHEREAS, the PRDOH is interested in contracting a Program Management Services firm to assist PRDOH with the oversight and management of CDBG-DR funds allocated to Puerto Rico as a result of Hurricane María. This firm will support PRDOH's objectives of ensuring compliance with all CDBG-DR, HUD and applicable federal and local requirements, rules and regulations, as well as in PRDOH's objectives of the Action Plan, as amended, and adequately coordinating and monitoring all CDBG-DR related activities.

WHEREAS, on October 10, 2018 the PRDOH issued a Request for Proposals CDBG-DR-RFP-2018-04 for "Program Management Services" with CDBG-DR funds (the "RFP"). This request was placed through public notice. Afterwards, PRDOH requested Quotations or Proposals from qualified Proposers therein registered. Through this procurement process, PRDOH was able to reach four (4) qualified firms listed for their capacity and experience with federal grants to deliver qualified services.

WHEREAS, on November 13, 2018, the CONTRACTOR submitted a proposal (hereinafter referred to as the "Proposal"), which fully complied with the requirements set forth by the PRDOH.

WHEREAS, pursuant to written notice from PRDOH to the CONTRACTOR dated May 31, 2019 (the "RFP Award Notice"), the Evaluation Committee recommended Innovative Emergency Management, Inc. to perform the required services at a reasonable proposed cost (**Attachment A**) to assist PRDOH in the Puerto Rico's recovery efforts according to the award criteria established in the RFP.

WHEREAS, the PRDOH desires to enter into an agreement with Innovative Emergency Management, Inc. to secure its services and accepts the CONTRACTOR'S Proposal and costs, in accordance with the RFP Award Notice, and the CONTRACTOR by its acceptance of the terms and conditions of this Agreement is ready, willing and able to provide the requested services to the PRDOH for the CDBG-DR Program Management in accordance with its Proposal, the RFP, and contemplated under this Agreement in **Attachment A, B and C**).

WHEREAS, the PRDOH has the legal power and authority, in accordance with its enabling statute, Act No. 97 of June 10, 1972, as amended, particularly under Article 4 (3 L.P.R.A. § 441C), the federal laws and regulations creating and allocating funds to the CDBG-DR program and the Action Plan, to issue and award the RFP, enter and perform under this Agreement.

NOW THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the CONTRACTOR agree as follows:

I. TYPE OF CONTRACT

Contract Type This is a monthly lump sum for the General Program and Administration task and per unit cost for the other tasks as set forth in this agreement. Under this Agreement, CONTRACTOR shall submit monthly invoices to the PRDOH based on the Compensation Schedule (**Attachment D**) and as the services are rendered. Any and all changes and/or modifications to this Agreement shall be in writing and must be signed by both parties.

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

- | | |
|---------------------|--|
| Attachment A | Bid Board, Program Management Services, CDBG-DR-RFP-2018-04, Resolution of Award. Dated May 28, 2019 |
| Attachment B | Program Management Services, Under CDBG-DR, a Proposal for the Puerto Rico Department of Housing. Dated November 13, 2018 (redacted version) |
| Attachment C | Scope of Work |
| Attachment D | Compensation Schedule |
| Attachment E | Insurance Requirements (DV-OSPA-78-5) |
| Attachment F | HUD General Provisions |

All Attachments hereto are fully incorporated herewith such that the terms and conditions of the Attachments shall be as binding as any terms and conditions of this executed written Agreement. Should any inconsistency appear between the RFP, the Attachments and this Agreement, the Agreement shall prevail.

II. TERM OF AGREEMENT

- A. This Agreement shall be in effect and enforceable between the parties from the date of its execution. The Term of this Agreement will be for a performance period of thirty six (36) months, ending in July, 14, 2022 (the "Term").
- B. **Agreement Extensions:** PRDOH may, at its sole discretion, extend the Agreement's term for an additional term of twenty four (24) months, or expressed in days, seven hundred and thirty (730) days upon mutual written agreement of the parties.
- C. The term of this Agreement shall not exceed a period of five (5) years, including options for renewal or extension.

III. SCOPE OF SERVICES

- A. The CONTRACTOR will provide the services and deliverables ("Deliverables") described in the scope of work included in **Attachment B** and **Attachment C** of the Agreement (jointly, the "Services"), in each case and as applicable. The parties agree that the CONTRACTOR shall furnish all permits, consents, licenses, equipment, software and supplies necessary to perform the Services, at CONTRACTOR'S sole cost.
- B. The CONTRACTOR shall perform the Services in accordance with the applicable requirements and assumptions set forth in the Scope of Work and its proposal. The Parties may, from time to time, agree to amend the Scope of Work by mutual, written agreement of the Parties; provided that CONTRACTOR will not be obligated to perform work beyond the scope identified in any such Scope of Work, except as amended in accordance with this Agreement.
- C. If there are any changes to the scope, schedule or other matters (including without limitation relevant project policies, procedures, processes or related



matters) affecting the Services (including those resulting from Force Majeure), the parties shall work in good faith to finalize an appropriate modification to this Agreement and/or the applicable statement of work, which shall be executed by the Parties.

- D. PRDOH may instruct CONTRACTOR in writing as to the manner in which it desires CONTRACTOR to perform or implement the Services, including, but not limited to, where necessary to ensure compliance with laws applicable to PRDOH (a "Compliance Directive"). CONTRACTOR shall use reasonable efforts to comply with such instructions, and shall be authorized to act and rely on, and shall implement, each Compliance Directive in the performance and delivery of the Services or Deliverables as agreed by the parties, including without limitation in accordance with change control procedures.

IV. COMPENSATION AND PAYMENT

- A. The PRDOH agrees to pay the CONTRACTOR for allowable Services rendered under this Agreement in accordance with the rates and amounts described in **Attachment D** of this Agreement.

The PRDOH will pay the CONTRACTOR, for allowable Services performed during the term of this Agreement, a maximum amount not to exceed **TWENTY TWO MILLION TWO HUNDRED AND EIGHTY THOUSAND ONE HUNDRED AND FORTY THREE DOLLARS AND SIXTY FIVE CENTS (\$22,280,143.65); Account Number: R01H07RRR-DOH-LM 4190-10-000**

1. Such payment shall be compensation for all allowable Services required, performed and accepted under this Agreement included in **Attachment B** and **Attachment C**.
2. Any additional funds to complete the services requested by the PRDOH to the CONTRACTOR will be subject to evaluation before acceptance as well as funds availability and will require an amendment to this Agreement.
3. The CONTRACTOR shall submit an invoice to PRDOH on a monthly basis. Said invoice must be submitted including all required invoice supporting documents, including but not limited to monthly reports, and photos evidence, expense plan and/or work projections. If PRDOH determines that the submitted invoice and supporting documents are acceptable, then the invoice will be approved for payment.
4. An authorized representative of the PRDOH will review each invoice and, if adequate, will approve and process its payment. Payments to the CONTRACTOR shall be made by electronic funds transfer (EFT). PRDOH reserves the right to conduct any audits related directly to CONTRACTOR's performance under this Agreement that it deems necessary. The CONTRACTOR agrees to cooperate fully with any such audit or audits.
5. While providing the Services under this Agreement, the CONTRACTOR must adhere to applicable requirements of the CDBG-DR grant. If the CONTRACTOR performs ineligible activities under the CDBG-DR grant or program, the CONTRACTOR cannot include them in the invoice for payment to the CONTRACTOR.



6. In order for the CONTRACTOR to receive payment for any work performed hereunder, the following certification must be included in each application for payment or invoice submitted to the PRDOH for payment:

"Under penalty of absolute nullity, I certify that no public servant of the government entity is a party to or has an interest in the profits or benefits that are the product of the contract subject of this invoice, and to be a party to or have an interest in the profits or benefits of resulting from the contract, under this invoice a prior dispensation has been issued. The sole consideration to furnish the contracted goods or services subject of the contract is the payment agreed upon with the authorized representative of the parties. The amount that appears in the invoice is fair and correct. The work has been performed, the products have been delivered and the services rendered, and no prior payment has been received for them."

V. REIMBURSABLE EXPENSES

The PRDOH will not reimburse any costs incurred by the CONTRACTOR not included in the approved Proposal or in an executed written amendment except as provided in Article IV of this Agreement.

VI. ADDITIONAL SERVICES

Should additional services be needed by the PRDOH, such additional services shall be agreed upon by the parties in a written document signed by both parties, prior to the issuance of a notice to proceed with the performance of such additional services.

VII. OWNERSHIP AND USE OF DOCUMENTS

- A.** With the exception of the CONTRACTOR'S working papers, software and intellectual property, the CONTRACTOR acknowledges the PRDOH's ownership of all information delivered under the Agreement, including drafts, documents, reports, papers and other materials developed and prepared by the CONTRACTOR, its agents or representatives, for purposes of performing key obligations hereunder. In the event of any termination, the CONTRACTOR shall deliver such partially completed Deliverables, including drafts, reports, papers and other materials to the PRDOH, in document form or as computer program data, and the CONTRACTOR recognizes the PRDOH's right to request such documentation or computer program data. If the CONTRACTOR fails to deliver said information, the PRDOH may seek a judicial order to enforce its rights.
- B.** As between the parties, the CONTRACTOR will be the sole and exclusive owner of CONTRACTOR-provided intellectual property, including software.
- C.** Proof of expenditures incurred by the CONTRACTOR on behalf of PRDOH shall be made available to PRDOH. The CONTRACTOR agrees to maintain accurate records and files of all contract documents, correspondence, book estimates, bills and other information related to the CONTRACTOR account. These documents related to amounts billed hereunder shall be open for the PRDOH examination at all reasonable times during the term of this Agreement, and up to five (5) years after termination.

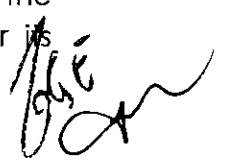


VIII. DOCUMENTATION AND RECORDKEEPING

- A. Records to be Maintained:** The CONTRACTOR shall maintain records of the state and units of general local government, including supporting documentation, which shall be retained for the greater of five (5) years from closeout of the grant to the state, or the period required by other local applicable laws and regulations. Such records include but are not limited to: Records providing a full description of each activity undertaken; Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR program; Records required to determine the eligibility of activities; Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG-DR assistance; Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-DR program regulations; Financial records as required by 24 C.F.R. § 570.502, and 2 C.F.R. Part 200, including records necessary to demonstrate compliance with all applicable procurement requirements; and other records necessary to document compliance with this agreement, any other applicable Federal statutes and regulations, and the terms and conditions of PRDOH's Federal award.
- B. Access to Records:** The CONTRACTOR shall permit the PRDOH and its auditors to have access to the CONTRACTOR'S records and financial statements directly related to CONTRACTOR's performance under this contract as necessary for the PRDOH to meet its audit requirements under the Federal grant.
- C. Record Retention and Transmission of Records to the PRDOH:** Prior to close out of this Agreement, the CONTRACTOR must transmit to the PRDOH billing records sufficient for the PRDOH to demonstrate that all costs under this Agreement met the requirements of the Federal award.
- D. CONTRACTOR's Data and Privileged Information:** The CONTRACTOR is required to maintain data demonstrating client eligibility for activities provided under this agreement. Such data may include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of activities provided.

IX. NON-DISCLOSURE AND CONFIDENTIALITY

- A. Confidential Information; Definition:** The term Confidential Information as used throughout this Section, means any information concerning PRDOH operations and that of its CONTRACTOR (e.g., the projects, computer processing systems, object and source codes and other PRDOH business and financial affairs). The term Confidential Information shall also deem to include all notes, analysis, compilation, studies and interpretation or other documents prepared by CONTRACTOR, its agents or representatives, in connection with PRDOH operations. The term Confidential Information shall not include information which (i) is previously known to or in the possession of the recipient, its affiliates, and their respective directors, officers, employees, agents, consultants, advisors and/or representatives (such persons, the "Representatives"), (ii) is available to the public prior to the time of disclosure hereunder other than as a result of breach of this Agreement, (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 CONTRACTOR, (iv) subsequent to the time of disclosure hereunder becomes available to the recipient or its Representatives by a third party who, to the knowledge of the recipient, is under no obligation to keep the information confidential, (v) is independently developed by the recipient or its



Representatives without reference to the Confidential Information or (vi) is approved for disclosure or release by a PRDOH or other Government official.

Notwithstanding the above, the recipient may divulge Confidential Information to its Representatives to fulfill the purposes of this Agreement or provide advice or guidance to the recipient, provided that such persons shall have been advised of the confidential nature of such materials and information and the recipient shall require them to treat as confidential such information and to return all materials to CONTRACTOR.

A party will not be considered to have breached its obligations under this Article IX for disclosing Confidential Information of the other party to the extent required to satisfy any legal requirement of a competent governmental or regulatory authority, provided that promptly upon receiving any request from or on behalf of such authority and to the extent that it may legally do so, such party receiving such request: (a) timely advises the other party prior to making such disclosure in order that the other party may object to such disclosure, take legal action to ensure confidential treatment of the Confidential Information, or (subject to applicable law) take such other action as it considers appropriate to protect the Confidential Information; and (b) takes reasonable action to limit disclosure of Confidential Information to that which is required to satisfy such legal requirement.

- B. Non-Disclosure:** CONTRACTOR agrees to take all reasonable steps or measures to keep confidential all Confidential Information and will not, at any time, present or future, without PRDOH express written authorization, signed by the Secretary of the PRDOH, use or sell, market or disclose any Confidential Information to any third party, CONTRACTOR, corporation, or association for any purpose whatsoever. CONTRACTOR further agrees that, except as they relate to the normal course of the service, the CONTRACTOR will not make copies of the Confidential Information except upon PRDOH express written authorization, signed by an authorized representative of PRDOH, and will not remove any copy or sample of Confidential Information without prior written authorization from PRDOH. CONTRACTOR retains the right to control its work papers subject to these confidentiality provisions.
- C. Return Documents:** Upon receipt of written request from the PRDOH, CONTRACTOR will return to PRDOH all copies or samples of Confidential Information which, at the time of the notice are in CONTRACTOR'S or its agent's possession. CONTRACTOR reserves the right to retain a set of its work papers.
- D. Equitable Relief:** The CONTRACTOR acknowledges and agrees that a breach of the provision of subparagraph B and C of this Section may cause PRDOH to suffer irreparable damage that could not be remedied or compensated adequately only by mere monetary retribution. The CONTRACTOR further agrees that money damages may not be a sufficient remedy for any breach of this Section. Accordingly, the CONTRACTOR agrees that PRDOH shall have the right to seek injunctive relief and the specific performance of the provisions of this Section to enjoin a breach or attempted breach of the provision hereof, such right being in addition to any and all other rights and remedies that are available to PRDOH by law, equity or otherwise.
- E.** The provision of this Article IX shall survive for a period of two (2) years from the termination of this Agreement.

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X. TERMINATION

- A. Termination for Cause or Default:** The PRDOH may terminate this Agreement, in whole or in part, because of CONTRACTOR'S failure to fulfill any of its material obligations. The PRDOH shall be permitted to terminate this Agreement by delivering to the CONTRACTOR a thirty (30) day advance notice of termination specifying the extent to which the performance of the service under this Agreement is terminated, the reason therefor and the effective date of termination. CONTRACTOR shall, upon written notice, be provided a ten (10) day opportunity to cure the alleged defect that resulted in the perceived default. If the defect is not cured within that period of time, CONTRACTOR shall discontinue all such services, as of the termination effective date, being terminated and deliver to the PRDOH all information, notes, drafts, documents, analysis, reports, compilations, studies and other materials accumulated or generated in performing the services contemplated in this Agreement, whether completed or in process. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the PRDOH for damage sustained to PRDOH CDBG-DR Program by virtue of any breach of the Agreement by the CONTRACTOR. The PRDOH may withhold any payments to the CONTRACTOR, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the PRDOH by the CONTRACTOR. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.
- B. Termination for Convenience:** The PRDOH may terminate this Agreement, in whole or in part, whenever the PRDOH determines that such termination is necessary or convenient to the Agency. The PRDOH will terminate this Agreement by delivering to the CONTRACTOR a thirty (30) day advance written notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the CONTRACTOR shall discontinue all services, as of the termination effective date, affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of a termination by Notice, the PRDOH shall be liable only for payment of Services rendered and completed or in-progress deliverables up to and including the effective date of termination. CONTRACTOR shall not be responsible for further performance obligations after the effective date of such termination. PRDOH shall make payment, in accordance with the terms of this Agreement, of any amounts due to CONTRACTOR for allowable services rendered prior to the termination notice.
- C. Termination by Unilateral Abandonment:** The PRDOH will consider this Agreement immediately terminated, in the event that the CONTRACTOR unilaterally and without prior notice, chooses to abandon (in any obvious shape, form or fashion) cease and desist in the specific performance of its general and particular duties and responsibilities as agreed in this Agreement. Upon the knowledge of such event, the PRDOH will not be held liable for payments for future Services. The PRDOH will not be compelled to continue the performance of the Agreement, should the CONTRACTOR breach the Agreement by unilateral abandonment. For the purposes of this Section, Abandonment shall mean that CONTRACTOR voluntarily and intentionally disavows its contractual duties in a manner that is overt and without question a relinquishment of said contractual duties.
- D. Unilateral Termination:** The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will



terminate this Agreement by delivering to the CONTRACTOR a thirty (30) day notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the CONTRACTOR shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.

- E. Suspension:** The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the CONTRACTOR five (5) days' written notice of such suspension. Upon receipt of said notice the CONTRACTOR shall immediately suspend all Services affected.
- F. Immediate Termination:** In the event the CONTRACTOR is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the CONTRACTOR shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the CONTRACTOR of this Agreement or the CONTRACTOR of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This Section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico.
- G. Period of Transition:** Upon termination of this Agreement, and for ninety (90) consecutive calendar days thereafter (the Transition Period), CONTRACTOR agrees to make himself available to assist the PRDOH with the transition of services assigned to CONTRACTOR by the PRDOH. CONTRACTOR shall provide to the PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the Services to the PRDOH or a third party designated by the PRDOH. The parties agree to execute a Transition Services Agreement for the Transition Period and CONTRACTOR will be paid at a reasonable, agreed upon hourly rate for any work performed for the PRDOH during the Transition Period.

In the event that the funds are suspended, withdrawn, canceled, or are otherwise unavailable, this Agreement will be immediately terminated.

XI. PENALTIES AND LIQUIDATED DAMAGES

A. Penalties

1. In the event the CONTRACTOR is determined to have engaged in any proscribed conduct or otherwise is in default as to any applicable term, condition, or requirement of this Agreement, at any time following the Effective Date of the Agreement, the CONTRACTOR agrees that, PRDOH may impose sanctions against the CONTRACTOR for any default in accordance with **Attachment C** and this Section. Refer to Procurement Manual and Contract Requirements, Art. XII, Section 2(a.), and all required provisions set forth at 2 C.F.R. § 200.326 and 24 C.F.R. § 570.489(g).

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2. If the CONTRACTOR fails to comply with federal statutes, regulations or the terms and conditions of the Agreement, PRDOH may take one or more of the following actions:

- i. Temporarily withhold cash payments pending correction of the deficiency by the CONTRACTOR.
- ii. Disallow all or part of the cost of the activity or action not in compliance.
- iii. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180.
- iv. Withhold further Federal awards for the project or program.
- v. Take other remedies that may be legally available.

B. Liquidated Damages: The CONTRACTOR shall be subject to the liquidated damages below:

a. **Damage Assessments:** CONTRACTOR shall pay to PRDOH, as liquidated damages, \$300 for each calendar day that any Damage Assessment deliverable required is late until deemed in compliance subject to a maximum of \$1,500 established in the Agreement between PRDOH and CONTRACTOR. Said sum, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of such delay. Liquidated damages received hereunder are not intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH'S right to indemnification, or CONTRACTOR's obligation to indemnify the PRDOH pursuant to this Agreement, or to any other remedy provided for in this Agreement or by LAW. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of calculating such liquidated damages, a grace period of ten (10) days shall be observed, and the contract schedule shall be extended by any additional time or delays outside the control of CONTRACTOR caused by an act of commission or omission of the PRDOH, HUD, or any of their representatives. The PRDOH may deduct and retain out of the monies which may come due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the formula above, CONTRACTOR shall be liable to pay the difference.

b. **Single-Family Repair, Reconstruction, or Relocation Milestone Inspections and Home Energy Resilience Inspections:** CONTRACTOR shall pay to PRDOH, as liquidated damages, \$75 for each calendar day that any Single-Family Repair, Reconstruction, or Relocation Milestone Inspection or a Home Energy Resilience Inspection deliverable required is late until deemed in compliance subject to a maximum of \$600 established in the Agreement between PRDOH and CONTRACTOR. Said sum, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of delay in the completion of the Work hereunder, is hereby fixed and agreed as the liquidated damages that PRDOH will suffer by reason of such delay. Liquidated damages received hereunder are not intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH's right to indemnification, or CONTRACTOR's obligation to indemnify the PRDOH pursuant to this Agreement, or to any other remedy provided for in this Agreement or by Law. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of calculating such liquidated damages, a grace period of ten (10) days shall be observed, and the contract schedule shall be extended by any additional time or delays outside the control of CONTRACTOR caused by an act of commission or omission of the PRDOH, HUD, or any of their representatives. The PRDOH may deduct and retain out of the monies which may become due hereunder, the amount of any such liquidated

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damages; and in case the amount which may become due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the formula above, CONTRACTOR shall be liable to pay the difference.

XII. LIABILITY

In no event, the PRDOH shall be liable for any indirect, incidental, special or consequential damages, or damages for loss of profits, revenue, data or use, incurred by either party or any third party, whether in an action in contract or tort, even if the other party or any person has been advised of the possibility of such damages. Third parties operating under this program, with their agency, will have their own general civil and criminal liability imposed by law towards the PRDOH, the CONTRACTOR and any citizen.

The CONTRACTOR shall carry the insurances as are required by law (if applicable), as set forth below. The CONTRACTOR shall furnish PRDOH certificates of insurance.

XIII. INSURANCE

A. Required Coverage

The CONTRACTOR shall keep in force and effect for the period beginning from the execution of the Agreement and ending at the completion of all services to be provided hereunder, insurance policies in compliance with the PRDOH's requirements as set forth required in OSPA-78-5, attached hereto and made an integral part hereof as **Attachment E**.

Upon the execution of this Agreement, the CONTRACTOR shall furnish PRDOH with original and two (2) certified copies of the insurance policies described in **Attachment E** and any other evidence PRDOH may request as to the policies' full force and effect.

Any deductible amount, under any of the policies, will be assumed in whole by the CONTRACTOR for any and all losses, claims, expenses, suits, damages, costs, demands or liabilities, joint and several of whatever kind and nature arising from the Agreement resulting from this solicitation by and between the CONTRACTOR and PRDOH.

The PRDOH shall not be held responsible under any circumstances for payments of any nature regarding deductibles of any Commercial Liability Policies for the aforementioned Agreement.

B. Endorsements

Each insurance policy maintained by the CONTRACTOR must be endorsed as follows:

1. PRDOH, Government of Puerto Rico, HUD and its officers, agents and employees are named as additional insured (except Worker's Compensation) but only with respect to liability arising out of tasks performed for such insured by or on behalf of the named insured.
2. To provide waiver of subrogation coverage for all insurance policies provided or herein in favor of PRDOH and its respective officers, agents and employees.
3. The insurer shall be required to give PRDOH written notice at least ninety (90) days in advance of any cancellation or material change in any such policies.

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The CONTRACTOR shall furnish to PRDOH, prior to commencement of the work, certificates of insurance from insurers with a rating by the A.M. Best Co. of B+ and five (5) or over on all policies, reflecting policies in force, and shall also provide certificates evidencing all renewals of such policies. Insurers shall retain an A.M. Best Co. rating of B+ and five (5) or over on all policies throughout the term of this Agreement and all policy periods required herein. The insurance company must be authorized to do business in Puerto Rico and be in good standing.

C. Related Requirements

The CONTRACTOR shall furnish original Certificates of Insurance evidencing the required coverage to be in force on the Effective Date of Agreement. In the case of Payment and Performance Bond, Certificate of Authority, Power of Attorney and Power of Attorney License issued by the Commissioner of Insurance shall be furnished. THE REQUIRED DOCUMENTATION MUST BE RECEIVED PRIOR TO THE CONTRATOR COMMENCING WORK. NO CONTRACTOR OR ITS AUTHORIZED REPRESENTATIVES ARE TO BEGIN THEIR RESPONSIBILITIES UNDER THE AGREEMENT PRIOR TO FULL COMPLIANCE WITH THIS REQUIREMENT AND NOTIFICATION FROM PRDOH TO PROCEED.

Renewal Certificates of Insurance or such similar evidence is to be received by the Procurement Department prior to expiration of insurance coverage. At PRDOH's option, non-compliance will result in one or more of the following actions: (1) The PRDOH will purchase insurance on behalf of the CONTRACTOR and will charge back all cost to the CONTRACTOR; (2) all payments due the CONTRACTOR will be held until the CONTRACTOR has complied with the Agreement; and/or (3) The CONTRACTOR will be assessed Five Thousand Dollars (\$5,000.00) for every day of non-compliance.

The receipt of any certificate does not constitute agreement by PRDOH that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement. The insurance policies shall provide for ninety (90) days written notice to be given to PRDOH in the event coverage is substantially changed, cancelled or non-renewed.

The CONTRACTOR shall require all subcontractors or consultants to carry the insurance required herein or the CONTRACTOR, may provide the coverage for any or all of its subcontractors and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined above.

The CONTRACTOR expressly understands and agrees that whenever the CONTRACTOR is covered by other primary, excess, or excess contingent insurance that, any insurance or self-insurance program maintained by PRDOH shall apply in excess of and will not contribute with insurance provided by the CONTRACTOR under this Agreement.

XIV. HOLD HARMLESS

The CONTRACTOR and its affiliates, its successors and assignees will indemnify the PRDOH from any damages and/or losses arising out of any breach of this Agreement by the CONTRACTOR or against personal injuries or property damage resulting from any act of negligence or omission by the CONTRACTOR and its affiliates in connection with this Agreement.

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XV. FORCE MAJEURE

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, including inclement weather, herein collectively referred to as *Force Majeure* during the term of this Agreement, neither the PRDOH nor the CONTRACTOR shall be liable to the other party for nonperformance (other than payment obligations under this Agreement) during the conditions created by such event.

The affected party shall promptly notify, the other party of the occurrence of the *Force Majeure* event and describe in reasonable detail, the nature of the *Force Majeure* event.

XVI. INDEPENDENT CONTRACTOR

The relationship of the CONTRACTOR to PRDOH shall be that of an independent CONTRACTOR rendering professional services. Neither the CONTRACTOR nor any personnel of the CONTRACTOR shall have any authority to execute contracts or make commitments on behalf of PRDOH. Nothing contained herein shall be deemed to create the relationship of employer/employee, principal/agent, joint venture or partner between the CONTRACTOR and PRDOH. Further, the CONTRACTOR recognizes that in view of its status as an independent CONTRACTOR, neither it nor its employees or subcontractors will be entitled to participate in or receive any fringe benefits normally granted to PRDOH employees under such programs, including, but not limited to, worker's compensation, voluntary disability, travel accident insurance, medical/dental insurance, life insurance, long-term disability, holiday pay, sick pay, salary continuation pay, leaves of absence (paid or unpaid), pension plan and savings plan.

The CONTRACTOR shall have exclusive control over its employees and subcontractors (and the CONTRACTOR'S employees and subcontractors are herein, collectively, referred to as the "CONTRACTOR Personnel"), its labor and employee relations and its policies relating to wages, hours, working conditions and other employment conditions. The CONTRACTOR has the exclusive right to hire, transfer, suspend, lay off, recall, promote, discipline, discharge and adjust grievances with its CONTRACTOR Personnel. The CONTRACTOR is solely responsible for all salaries and other compensation of its CONTRACTOR Personnel who provide Services.

The CONTRACTOR is solely responsible for making all deductions and withholdings from its employees' salaries and other compensation and paying all contributions, taxes and assessments, including union payments. The CONTRACTOR shall be responsible for and shall defend, indemnify and hold harmless PRDOH, and its agents, officers, directors, employees, representatives, CONTRACTOR'S, successors and assigns against all costs, expenses and liabilities, including without limitation reasonably prudent attorneys' fees relative to the situation, in connection with the CONTRACTOR'S employment and/or hiring of any CONTRACTOR Personnel providing any of the Services, including without limitation: (i) payment when due of wages and benefits, (ii) withholding of all payroll taxes, including but not limited to, unemployment insurance, workers' compensation, FICA and FUTA, (iii) compliance with the Immigration Reform Control Act, and (iv) compliance with any other applicable laws relating to employment of any CONTRACTOR Personnel of, and/or hiring by, CONTRACTOR in connection with the Services.

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XVII. NOTICES

All notices required or permitted to be given under the Agreement shall be in writing, and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, to the address as follows:

To: PRDOH

Hon. Fernando Gil-Enseñat
606 Barbosa Ave.
Juan C. Cordero Dávila Bldg.
San Juan, PR 00918

To: CONTRACTOR

Ted Lemcke
Chief Operating Officer
2801 Slater Road, Suite 110,
Morrisville, NC 27560

Either party may change these designations at any time within its discretion and may notify the other of such changes in designation(s) in writing.

XVIII. THIRD PARTIES

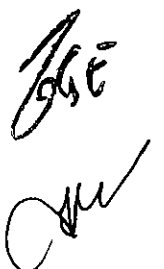
Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action of a third party against either the PRDOH or the CONTRACTOR.

XIX. SUBCONTRACTS

A. General: CONTRACTOR shall ensure all subcontracts follow 2 C.F.R. 200 as well as any applicable HUD rules and regulations. All subcontracts shall contain the applicable provisions described in Appendix II to Part 200 on "Agreement Provisions for non-Federal Entity Agreements Under Federal Awards", as well as applicable provisions set forth in 2 C.F.R. § 200.101. The PRDOH shall review subcontracts as part of the compliance, monitoring, and oversight process performed by PRDOH or upon request.

B. Specific Requirements: All subcontracts shall contain provisions specifying:

- i. That the work performed by the subcontractor be in accordance with the applicable terms of this Agreement between the PRDOH and CONTRACTOR;
- ii. That nothing contained in such subcontract agreement shall impair the rights of the PRDOH;
- iii. That nothing contained herein, or under this Agreement will create any contractual relation between the subcontractor and the PRDOH;
- iv. That the subcontractor specifically agrees to be bound by the confidentiality provision regarding Personal Identifiable Information set forth in this Agreement;
- v. That CONTRACTOR will be responsible for ensuring all subcontract work is performed consistent with federal and state regulations and/or policies to be eligible for reimbursement of the approved work; and
- vi. All Federal flow down provisions are included in the subcontract agreement per Federal guidelines.



- C. **Monitoring:** CONTRACTOR shall diligently monitor all subcontracted services. If CONTRACTOR discovers any areas of noncompliance, CONTRACTOR shall provide the PRDOH summarized written reports supported with documented evidence of corrective action.
- D. **Content:** CONTRACTOR shall cause all the applicable provisions of this Agreement to be included in, and made a part of, any subcontract executed in the performance of this Agreement.

XX. SECTION 3 CLAUSE

- 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 implements Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- C. 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.
- D. 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.
- E. The CONTRACTOR will certify that any vacant employment positions, including training positions, that are filled (1) after the CONTRACTOR is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the CONTRACTOR'S obligations under 24 C.F.R. Part 135.
- F. 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.

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XXI. CERTIFICATION OF COMPLIANCE WITH LEGAL REQUIREMENTS

Given that the Agreement involves funds for which HUD is the oversight agency, the CONTRACTOR agrees to carry out its obligations under this Agreement in compliance with all the requirements described in **Attachment F** (HUD General Provisions) and the following provisions:

- A. Compliance with Executive Order 24:** Pursuant to Executive Order 24 of June 18, 1991, the CONTRACTOR certifies and guarantees that at the signing of this Agreement it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years, as applicable. The CONTRACTOR further certifies that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico, as applicable. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause, as applicable. The CONTRACTOR will be given a specific amount of time by the PRDOH to produce said documents. During the term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico.
- B. Compliance with Executive Order 52:** Pursuant to Executive Order 52 of August 28, 1992, amending EO-1991-24, the CONTRACTOR certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The CONTRACTOR accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every CONTRACTOR and subcontractor whose service the CONTRACTOR has secured in connection with the services to be rendered under this Agreement and shall forward evidence to PRDOH as to its compliance with this requirement.
- C. Social Security and Income Tax Retentions:** The CONTRACTOR will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income from this Agreement.
- D. Government of Puerto Rico Municipal Tax Collection Center (CRIM, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement it has no current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center. The CONTRACTOR further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The CONTRACTOR shall hand out, to the satisfaction of the PRDOH and whenever requested by the PRDOH during the term of this Agreement, the necessary documentation to support its compliance of this clause. The CONTRACTOR will deliver upon request any documentation requested under this clause as per request of PRDOH. During the Term of this Agreement, the CONTRACTOR agrees to pay and/or to remain current with any repayment plan agreed to by the CONTRACTOR with the Government of Puerto Rico with regards to its property taxes.
- E. Income Tax Withholding:** The PRDOH will withhold from the CONTRACTOR the corresponding amount from all payments made to the CONTRACTOR in excess of the applicable threshold, as required by Internal Revenue Code for a New Puerto Rico. The PRDOH will advance such income tax withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda del*



Gobierno de Puerto Rico). The PRDOH will adjust such withholdings provided the CONTRACTOR produces satisfactory evidence of partial or total exemption from withholding.

PRHOD hereby acknowledges and confirms that CONTRACTOR is an agent and acting on behalf of PRHOD for purposes of the sales and use tax exemption provided to the Government of Puerto Rico pursuant to the provisions of Section 4030.08 of the Internal Revenue Code for a New Puerto Rico (13 L.P.R.A. § 32058)

- F. Compliance with Article 1 of Act No. 48-2013, as amended, 3 L.P.R.A. § 8611, note:** It is established that all contracts, except those granted to non-profit entities, for professional services, consultancy, advertising, training or guidance, granted by an agency, dependency or instrumentality of the Government of Puerto Rico, public corporation, as well as the Legislative Branch, the Office of the Comptroller, the Office of Ombudsman and the Judicial Branch, a special contribution will be imposed equivalent to one point five (1.5%) percent of the total amount of said contract, which will be destined to the General Fund.
- G. Compliance with Act No. 45 of April 18, 1935, as amended, 11 L.P.R.A. § 1, et seq.:** The CONTRACTOR certifies and guarantees that at the signing of this Agreement has valid insurance issued by the State Insurance Fund Corporation (CFSE, for its Spanish Acronym), as established by Act No. 45, *supra*, known as the "Puerto Rico Workers' Accident Compensation Act".
- H. Government of Puerto Rico's Agency for the Collection of Child Support (ASUME, for its Spanish acronym):** The CONTRACTOR certifies and guarantees that at the signing of this Agreement that the CONTRACTOR nor any of its Partners, if applicable, have any debt or outstanding debt collection legal procedures with regards to child support payments that may be registered with the Government of Puerto Rico's Child Support Administration. The CONTRACTOR hereby certifies that it is a for profit foreign corporation organized under the laws of the State of Louisiana duly authorized to do business in Puerto Rico by the Government of Puerto Rico and in good standing. The CONTRACTOR shall present, to the satisfaction of PRDOH, the necessary documentation to substantiate the same, as applicable. The CONTRACTOR will be given a specific amount of time by PRDOH to deliver said documents.
- I. Compliance with Act No. 168-2000, as amended, 3 L.P.R.A. § 711, et seq.:** The CONTRACTOR is in full compliance with Act No. 168-2000, as amended, known as "Act for the Improvement of Elderly Support of Puerto Rico."
- J. Compliance with Act No. 1-2012, as amended, 3 L.P.R.A. § 1854, et seq.:** The CONTRACTOR hereby certifies that in signing this Agreement it is in compliance with Act No. 1-2012, as amended, known as "Puerto Rico Government Ethics Act of 2011". In connection with the possibility of a conflict of interest, the CONTRACTOR certifies that no employee or executive of theirs has any personal interest in cases or matters that involve a conflict of interest between the services to be rendered under this Agreement to the PRDOH.
- K. Other payments or compensation:** The CONTRACTOR certifies that it does not receive payment or compensation for regular services rendered as an official or public employee to another government entity, agency, public corporation or municipality, and knows the ethical standards of his profession and assumes responsibility for his actions.



- L. Consequences of Non-Compliance:** The CONTRACTOR expressly agrees that the conditions outlined throughout this Section are essential requirements of this Agreement; thus, should any one of these representations, warrants, and certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PRDOH to render this Agreement null and void and the CONTRACTOR reimburse to PRDOH all moneys received under this Agreement.

XXII. BYRD ANTI-LOBBYING AMENDMENT, 31 U.S.C. §1352

The CONTRACTOR certifies, to the best of his or her knowledge, that:

- A.** 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.
- B.** 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 Forms-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C.** 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 sub recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. §1352 (as amended by the Lobbying Disclosure Act of 1995). The CONTRACTOR acknowledges that 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 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.

XXIII. EQUAL OPPORTUNITY

- A.** The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants 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. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.



- B. 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 considerations for employment without regard to race, color, religion, sex, or national origin.
- C. When applicable, 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 advising the said labor union or workers' representatives of the CONTRACTOR'S commitments under this Section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- D. The CONTRACTOR will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and as supplemented by the rules, regulations, and relevant orders of the United States Secretary of Labor.
- E. The CONTRACTOR will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- F. In the event of the CONTRACTOR'S noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations, or orders, this Agreement may be canceled, terminated, or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- G. The CONTRACTOR will include the portion of the sentence immediately preceding paragraph (A) and the provisions of paragraphs (A) through (F) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, 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 administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

XXIV. CLEAN AIR ACT

- A. The CONTRACTOR 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, as applicable.

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- B. The CONTRACTOR agrees to report each violation to the PRDOH and understands and agrees that the PRDOH will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, HUD, and the appropriate Environmental Protection Agency Regional Office.
- C. The CONTRACTOR agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by HUD.

XXV. WATER POLLUTION CONTROL ACT

- A. The CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251, et seq, as applicable.
- B. The CONTRACTOR agrees to report each violation to the PRDOH and understands and agrees that the PRDOH will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, HUD, and the appropriate Environmental Protection Agency Regional Office.
- C. The CONTRACTOR agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by HUD.

XXVI. SUSPENSION AND DEBARMENT

- A. This Agreement is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such, the CONTRACTOR is required to verify that none of the CONTRACTOR, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. §180.905) are excluded (defined at 2 C.F.R. §180.940) or disqualified (defined at 2 C.F.R. §180.935).
- B. The CONTRACTOR must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- C. This certification is a material representation of fact relied upon by PRDOH. If it is later determined that the CONTRACTOR did not comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, in addition to remedies available to (name of state agency serving as recipient and name of sub recipient), the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- D. The CONTRACTOR agrees to comply with the requirements of 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The CONTRACTOR further agrees to include a provision requiring such compliance in its lower tier covered transactions.

1. CONTRACTOR

- a) Competitively within a timeframe providing for compliance with the contract performance schedule;
- b) Meeting contract performance requirements; or



c) At a reasonable price.

2. Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>

XXVII. ACCESS TO RECORDS

- A. The CONTRACTOR agrees to provide the Government of Puerto Rico, PRDOH, HUD's Secretary, the Comptroller General of the United States, or any of their authorized representative's access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to Services performed under this Agreement for the only purpose of conducting audits, examinations, excerpts, and transcriptions.
- B. The CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

XXVIII. COMPLIANCE WITH FEDERAL LAW, REGULATIONS & EXECUTIVE ORDERS

The CONTRACTOR acknowledges that only HUD financial assistance will be used to fund this Agreement. Also, the CONTRACTOR shall comply with all applicable federal, state or local rules, regulations, or policies relating to CDBG-DR and CDBG program services. This includes without limitation, applicable Federal Registers; 2 C.F.R. § 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. Part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. § 35, 24 C.F.R. Part 58, 24 C.F.R. Part 135; National Historic Preservation Act, and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards and the environment; and Action Plan amendments and HUD's guidance on the funds. Also, CONTRACTOR shall comply, without limitation, those set forth in **Attachment F**.

XXIX. 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, CONTRACTOR, or any other party pertaining to any matter resulting from the Agreement.

XXX. PROGRAM FRAUD & FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The CONTRACTOR acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the CONTRACTOR'S actions pertaining to this Agreement.

XXXI. BANKRUPTCY

In the event that CONTRACTOR files for bankruptcy protection, the Government of Puerto Rico and PRDOH may deem this Agreement null and void, and terminate this Agreement without notice.

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XXXII. ENTIRE AGREEMENT

This Agreement and all its attachments represent the entire and integrated agreement between PRDOH and the CONTRACTOR and supersede all prior negotiations, representations, agreements and/or understandings of any kind. This Agreement may be amended only by written document signed by both PRDOH and the CONTRACTOR.

XXXIII. MODIFICATION OF AGREEMENT

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if written and signed by both parties, and its authorized representatives.

XXXIV. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of PRDOH and the CONTRACTOR, their successors and assigns.

The CONTRACTOR shall not assign this Agreement, in whole or in part, without the prior written consent of PRDOH, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect.

XXXV. ASSIGNMENT OF RIGHTS

The rights of each party hereunder are personal to that party and may not be assigned or otherwise transferred to any other person, CONTRACTOR, corporation, or other entity without the prior, express, and written consent of the other party.

XXXVI. NON-WAIVER

The failure or delay of either party to insist upon the performance of and/or the compliance with any of the terms and conditions of this Agreement shall not be construed as a waiver of such terms and conditions or the right to enforce compliance with such terms and conditions.

XXXVII. GOVERNING LAW JURISDICTION

In the event of any dispute arising out of or relating to this Agreement, the affected party shall notify the other party, and the parties shall attempt in good faith to resolve the matter within ten (10) days after the date such notice is received by the other party (the "Notice Date").

This Agreement shall be governed by, interpreted and enforced in accordance with, the laws of the Government of Puerto Rico and any applicable federal laws and regulations. The parties further agree to assert any claims or causes of action that may arise out of this Agreement in the Puerto Rico Court of First Instance, Superior Court of San Juan, Puerto Rico.

XXXVIII. SEVERABILITY

If any provision of this Agreement shall operate or would prospectively operate to invalidate the Agreement in whole or in part, then such provision only shall be deemed severed and the remainder of the Agreement shall remain operative and in full effect.

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XXXIX. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of whom shall be deemed to be an original, however, all of which together shall constitute one and the same instrument.

XL. ETHICS CLAUSE

According to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, no employee or officer of PRDOH as well as any member of their families can have any interest in the earnings or benefits from this Agreement. CONTRACTOR also acknowledges that it received a copy of and agrees to comply with the same, and with the Puerto Rico Government Ethics Law of 2011, Act No. 1-2012, as amended, in connection with the Ethics Code for Producers, Suppliers, and Applicants of Economic Incentives from the Government of Puerto Rico known in Spanish as "*Código de Ética para Contratistas, Suplidores y Solicitantes de Incentivos Económicos de las Agencias Ejecutivas del Estado Libre Asociado de Puerto Rico*".

XLI. CONFLICTS OF INTEREST

The CONTRACTOR shall comply with the ethics requirements set forth herein and warrant that to the best of its knowledge and belief, as of the date hereof, and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of the work under a PRDOH contract and CONTRACTOR'S organizational, financial, contractual or other interest are such that:

- a) Award of the Agreement may result in an unfair competitive advantage; or
- b) The CONTRACTOR'S objectivity in performing the contract work may be impaired.

The CONTRACTOR agrees that if after award it discovers an organizational conflict of interest with respect to this Agreement, it shall make an immediate (within the next 72 hours) and full disclosure in writing to the Contracting Officer, which shall include a description of the action, which the CONTRACTOR has taken or intends to take to eliminate or neutralize the conflict. The CONTRACTOR will disclose the details of any existing or future contract to provide services to third parties participating or for the purpose to participate in disaster recovery programs or projects in Puerto Rico. The PRDOH may, however, terminate the Agreement for the convenience of PRDOH if it would be in its best interest.

In the event the CONTRACTOR was aware of conflict of interest before the award of this Agreement and did not disclose the conflict to the Contracting Officer, the PRDOH may terminate the Agreement for default.

The provisions of this clause shall be included in all subcontracts and/or consulting agreements wherein the work to be performed is similar to the services provided by the CONTRACTOR. The CONTRACTOR shall include in such subcontracts and consulting agreements any necessary provision to eliminate or neutralize conflicts of interest.

XLII. NON-CONVICTION

The CONTRACTOR certifies that it has not been convicted nor accused of a felony or misdemeanor against the government, public faith and function, or that involves public property or funds, either federal or local in origin. Furthermore, CONTRACTOR also certifies that:

A handwritten signature in black ink, appearing to be 'J. G. S.', is located in the bottom right corner of the page.

- A. It has not been convicted, nor has pleaded guilty at a state or federal bar, in any jurisdiction of the United States of America, of crimes consisting of fraud, embezzlement or misappropriation of public funds, as stated in Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, which prohibits the award of Offers or government contracts to those convicted of fraud, misappropriation of public fund.
- B. It understands and accepts that any guilty plea or conviction for any of the crimes specified in Article 3 of said Act, will also result in the immediate cancellation of any contracts in force at the time of conviction, between the undersigned and whichever Government Agencies, Instrumentalities, Public Corporations, Municipalities and the Legislative or Judicial Branches.
- C. It declares under oath the above mentioned in conformity with what is established as in Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico, which prohibits awarding Offers for government contracts, to those convicted of fraud, embezzlement or misappropriation of public funds.
- D. The CONTRACTOR represents and guarantees that none of its employees, officials or agents have been convicted of a felony or misdemeanor. Moreover, the CONTRACTOR agrees to notify PRDOH should any employee, official, or agent is convicted of a felony or misdemeanor after the date of this Agreement. Said notice shall be made within ten (10) days from the time of the conviction.

XLIII. DRUG FREE WORKPLACE

The CONTRACTOR should establish procedures and policies to promote a Drug-Free workplace. Further, the CONTRACTOR should notify all employees of its policy for maintaining a Drug-Free workplace, and the penalties that may be imposed for drug abuse violations occurring in the workplace. Further, the CONTRACTOR shall notify the PRDOH if any of its employees is convicted of a criminal drug offense in the workplace no later than ten (10) days after such conviction.

XLIV. HEADINGS

The titles to the paragraphs of this Agreement are solely for reference purposes and the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

XLV. ACT NO. 18 OF OCTOBER 30, 1975, as amended, 2 L.P.R.A. secs. 97-98

Immediately upon execution hereof, the PRDOH shall submit this Agreement for registration with the Office of the Comptroller of Puerto Rico, in accordance with the provisions of Act No. 18 of October 30, 1975, as amended, and provide evidence of such filing to the CONTRACTOR. The parties to this Agreement agree that its effective date will be subject to the due registration and remittance to the Office of the Comptroller. No rendering or consideration of this Agreement will be required before its registration at the Office of the Comptroller of Puerto Rico pursuant to Act No. 18 of October 30, 1975, as amended. The CONTRACTOR will be responsible for ensuring that this Agreement has been registered before the rendering of services by requesting a copy of the registered Agreement with its proper number and date of registry to the PRDOH, to the extent not previously delivered. No services under this Agreement will continue to be delivered after its effective date unless at the expiration date, an amendment signed by both parties



and duly registered exists. No services performed in violation of this provision will be paid. The party violating this clause will be doing so without any legal authority, this action will be deemed as *ultra vires*.

XLVI. MEMORANDUM NO. 2017-001; CIRCULAR LETTER 141-17 OF THE OFFICE OF THE CHIEF OF STAFF OF THE GOVERNOR (SECRETARÍA DE LA GOBERNACIÓN) & THE OFFICE OF MANAGEMENT AND BUDGET (OFICINA DE GERENCIA Y PRESUPUESTO)

A. Interagency Services Clause: Both contracting parties acknowledge and agree that services retained may be provided to any entity of the Executive Branch with which the contracting entity makes an interagency agreement or by direct provision of the Office of the Chief of Staff of the Governor (*Secretario de la Gobernación*). These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For purposes of this clause, the term "Executive Branch entity" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and corporations and the Office of the Governor.

B. Termination Clause: The Chief of Staff (*Secretario de la Gobernación*) of the Governor shall have the power to terminate this Agreement at any time.

IN WITNESS THEREOF, the parties hereto execute this Agreement in the place and on the date first above written.

DEPARTMENT OF HOUSING



Fernando A. Gil-Enseñat, Esq.
Secretary

1

Innovative Emergency Management,
Inc.



Ted Lemcke
Authorized Representative

DUNS Number : 60-127-5282



GOVERNMENT OF PUERTO RICO
Department of Housing

Attachment A

Notice of Award
REQUEST FOR PROPOSALS – CDBG-DR-RFP-2018-03
PROGRAM MANAGEMENT SERVICES

May 31, 2019

Tel. (225) 952-8229
By email: brad.tiffie@iem.com

Mr. Brad Tiffie
Innovative Emergency Management, Inc.
P.O. Box 110265
Durham, NC 27709-5265

**Re: Request for Proposals No. CDBG-DR-RFP-2018-04
Program Management Services
Community Development Block Grant for Disaster Recovery**

Dear Mr. Tiffie,

On October 10, 2018, the Puerto Rico Department of Housing (PRDOH) issued Request for Proposals No. CDBG-DR-RFP-2018-04 for Program Management Services (the RFP) under the Community Development Block Grant for Disaster Recovery (CDBG-DR). The RFP sought to select firms that will aid in the PRDOH's objectives of strategic preparation and development of housing programs.

In response to the RFP, Innovative Emergency Management, Inc. submitted a Proposal to the PRDOH on November 14, 2018. The Bid Board, with quorum duly constituted, pursuant to Article II, Section 1(e) of the Regulation No. 9075 of February 26, 2019, Procurement Manual and Contractual Requirements for CDBG-DR (Regulation 9075), upon evaluation of the recommendation issued by the CDBG-DR Procurement Office regarding the RFP, including the Evaluation Committee Report dated April 29, 2018, decided to issue an award under the RFP to (i) Innovative Emergency Management, Inc. for the total amount of \$22,280,143.65 and a 3-year term; (ii) ICF Incorporated, LLC for the total amount of \$25,054,079.92 and a 3-year term; (iii) Alliance for the Recovery of Puerto Rico for the total amount of \$22,693,267.78 and a 3-year term; and (iv) AECOM Technical Services, Inc. for the total amount of \$22,384,953.00 and a 3-year term. All these Proposers are responsive and responsible Proposers whose Proposals were advantageous to the PRDOH in terms of price and other evaluation factors included in the RFP (**Exhibit I**). The Operations Start-Up section of the Scope of Work stated: "As the PRDOH may select more than one Program Manager, the specific municipalities or regions where each Program Manager may perform work will be determined at the sole discretion of the PRDOH." The

606 Barbosa Avenue, Building Juan C. Cordero Dávila Río Piedras, PR 00918 | P.O. Box 21365 San Juan, PR 00928-1365
T. (787) 274-2527 | www.vivlenda.pr.gov



initial region assigned to Innovative Emergency Management, Inc. is hereby included as **Exhibit II** and includes the following municipalities:

- Adjuntas
 - Aguada
 - Aguadilla
 - Añasco
 - Arecibo
 - Barceloneta
 - Cabo Rojo
 - Camuy
 - Florida
 - Guánica
- Guayanilla
 - Hatillo
 - Hormigueros
 - Isabela
 - Lajas
 - Lares
 - Las Marías
 - Manatí
 - Maricao
 - Mayagüez
- Moca
 - Quebradillas
 - Rincón
 - Sabana Grande
 - San German
 - San Sebastián
 - Utuado
 - Yauco

Regions were determined by the PRDOH using a combination of hurricane damage data from FEMA and Low to Moderate Income Households data. Regions were developed in such a way that an equal quantity of applications to the Home Repair, Reconstruction, or Relocation Program can be expected at each.

A summary of the results of the evaluation of each Proposal with its original pricing, as evaluated by the Evaluation Committee, is shown in the table below.

Table 1: Original Proposals Evaluation Summary

Proposer	Mandatory Requirements	Technical Points	Proposal Cost	Price Per Point
Innovative Emergency Management, Inc.	Pass	70.77	\$98,738,532.00	\$1,395,203.22
ICF Incorporated, LLC	Pass	99.50	\$58,383,009.68	\$586,763.92
Alliance for the Recovery of Puerto Rico	Pass	77.83	\$228,713,156.15	\$2,938,624.65
AECOM Technical Services, Inc.	Pass	76.83	\$25,508,678.00	\$332,014.55

All Proposers were considered "Qualified" for the services and thus, were scored using the Price Per Point methodology as required by Section 8.4 of the RFP. This, to determine the Proposers whose Proposals were the most advantageous to the PRDOH.

The Procurement Office, based on the recommendations of the Evaluation Committee, opened negotiations with Proposers. After completing negotiations, Proposals scoring is as shown the table below.

Table 2: Proposals Scoring After Negotiations were Concluded

Proposer	Mandatory Requirements	Technical Points	Proposal Cost	Price Per Point
Innovative Emergency Management, Inc.	Pass	70.77	\$60,137,018.85	\$849,752.99
ICF Incorporated, LLC	Pass	99.50	\$49,928,202.00	\$501,790.97

Proposer	Mandatory Requirements	Technical Points	Proposal Cost	Price Per Point
Alliance for the Recovery of Puerto Rico	Pass	77.83	\$54,325,588.38	\$698,003.19
AECOM Technical Services, Inc.	Pass	76.83	\$40,523,400.00	\$527,442.41

Pursuant to the terms of the RFP, Proposers with the lowest Price Per Point shall be awarded the services. The PRDOH could also award one (1) to four (4) Proposers in the best interest of the overall programs' implementation and the people of Puerto Rico.

After thoroughly evaluating the Proposals and the Best and Final Offers received from the Proposers the PRDOH Procurement Office determined that all revised Cost Proposals were ones of reasonable cost for the services. Given the above, all four (4) Proposers are being awarded the services under the RFP. Initial awards are being issued in the quantities of 1,500¹ Home Repair, Reconstruction, or Relocation Program applications, 500 Housing Quality Standard Inspection tasks, 1,200² Appraisal of Home Market Value tasks, and 360³ monthly payments for Intake Centers to each awarded Proposer⁴. These initial awards result in the following contracts:

- An award to Innovative Emergency Management, Inc. for a total amount of \$22,280,143.65 and a 3-year term for Program Management Services under CDBG-DR distributed as shown in the following table.

Table 3: Summary of Award to Innovative Emergency Management, Inc.	
TASK	AWARDED COST
PROGRAM MANAGEMENT AND ADMINISTRATION	
Maximum Monthly Cost	\$174,746.63
Total for 3-Years of Service (36 Months)	\$6,290,878.85

¹ Note 3 of the Cost Form included with the BAFOs reads: "(3) Based on the number of Proposers finally awarded through this RFP, contracts might be signed for quantities of applications, and therefore per-unit tasks, lower than those stated in this Cost Form. Regardless of the quantity of applications included in the contract, the unit prices will not be altered in the contract's compensation schedule."

² Note 9 of the Cost Form included with the BAFO reads: "(9) The Appraisal of Home Market Value will be required for most, but not necessarily all, applications of the Home Repair, Reconstruction, or Relocation Program. Program Manager does not require approval from PRDOH to perform the Appraisal of Home Market Value task for any application. Nonetheless, the PRDOH will not pay for an Appraisal of Home Market that was not considered necessary. Guidelines on when the Appraisal of Home Market Value task may be omitted for an application will be established in the Program's Standard Operating Procedures. The PRDOH estimates at 4,800 the overall quantity of Appraisals of Home Market Value to be performed for the entire Home Repair, Reconstruction, or Relocation Program. For details regarding what the task entails refer to the Scope of Work."

³ Note 10 of the Cost Form included with the BAFO reads: "(10) Intake Centers, in order to be set-up by the Proposer, must first be approved by the PRDOH through a Request for Approval (RFA) where the details and need for the centers shall be specified on a case by case basis. The PRDOH estimates that Intake Centers might be required for the first two (2) years of services. Overall, the PRDOH estimates to put in place around 40 Intake Centers around the island for the Home Repair, Reconstruction, or Relocation Program. For details regarding what the task entails refer to the Scope of Work."

⁴ Note 11 of the Cost Form included with the BAFO reads: "(11) Quantities stated in notes 9 and 10 above are for the entirety of the Program. Therefore, the amount of the allowance and the potential quantity that the Proposer might be able to perform for these tasks will be dependent on the final number of Proposers that might be awarded through the RFP."

TASK				AWARDED COST	
R3 APPLICATIONS					
Range of Applications	Qty. [A]	Units [B]	Cost Per App. (Insp. by PM) [C]	Cost Per App. (Insp. by Mun.) [D]	Total Cost [E=A/2x(C+D)]
Applications 1 to 1,000	1,000	Apps.	\$9,696.00	\$8,548.00	\$9,122,000.00
Applications 1,001 to 3,000	500	Apps.	\$9,502.08	\$8,377.04	\$4,469,780.00
Applications > 3,000	0	Apps.	\$9,405.12	\$8,291.56	\$0.00
Total for R3 Applications	1,500	Apps.			\$13,591,780.00
R3 HQS INSPECTIONS					
Task	Qty. [A]	Units [B]		Unit Cost [C]	Total Cost [D=AxC]
R3 HQS Inspection	500	Each		\$600.00	\$300,000.00
Total for R3 HQS Inspections					\$300,000.00
ADDITIONAL SERVICES					
Task	Qty. [A]	Units [B]		Unit Cost [C]	Total Cost [D=AxC]
Appraisal of Market Value	1,200	Each		\$575.00	\$690,000.00
Intake Centers	360	Months		\$3,909.68	\$1,407,484.80
Total for Additional Services					\$2,097,484.80
Total Contract Amount					\$22,280,143.65

- An award to ICF Incorporated, LLC for a total amount of \$25,054,079.92 and a 3-year term for Program Management Services under CDBG-DR distributed as shown in the following table.

Table 4: Summary of Award to ICF Incorporated, LLC

TASK					AWARDED COST
PROGRAM MANAGEMENT AND ADMINISTRATION					
Maximum Monthly Cost					\$316,510.47
Total for 3-Years of Service (36 Months)					\$11,394,376.92
R3 APPLICATIONS					
Range of Applications	Qty. [A]	Units [B]	Cost Per App. (Insp. by PM) [C]	Cost Per App. (Insp. by Mun.) [D]	Total Cost [E=A/2x(C+D)]
Applications 1 to 1,000	1,000	Apps.	\$10,663.81	\$8,013.13	\$9,338,470.00
Applications 1,001 to 3,000	500	Apps.	\$7,067.16	\$5,043.20	\$3,027,590.00
Applications > 3,000	0	Apps.	\$6,483.24	\$4,701.84	\$0.00
Total for R3 Applications	1,500	Apps.			\$12,366,060.00
R3 HQS INSPECTIONS					
Task	Qty. [A]	Units [B]	Unit Cost [C]		Total Cost [D=AxC]
R3 HQS Inspection	500	Each	\$614.75		\$307,375.00

John

TASK				AWARDED COST
Total for R3 HQS Inspections				\$307,375.00
ADDITIONAL SERVICES				
Task	Qty. [A]	Units [B]	Unit Cost [C]	Total Cost [D=AxC]
Appraisal of Market Value	1,200	Each	\$481.93	\$578,316.00
Intake Centers	360	Months	\$1,133.20	\$407,952.00
Total for Additional Services				\$986,268.00
Total Contract Amount				\$25,054,079.92

- An award to Alliance for the Recovery of Puerto Rico for a total amount of \$22,693,267.78 and a 3-year term for Program Management Services under CDBG-DR distributed as shown in the following table.

Table 5: Summary of Award to Alliance for the Recovery of Puerto Rico

TASK					AWARDED COST
PROGRAM MANAGEMENT AND ADMINISTRATION					
Maximum Monthly Cost					\$245,790.71
Total for 3-Years of Service (36 Months)					\$8,848,465.38
R3 APPLICATIONS					
Range of Applications	Qty. [A]	Units [B]	Cost Per App. (Insp. by FM) [C]	Cost Per App. (Insp. by Mun.) [D]	Total Cost [E=A/2x(C+D)]
Applications 1 to 1,000	1,000	Apps.	\$10,100.00	\$7,220.00	\$8,660,000.00
Applications 1,001 to 3,000	500	Apps.	\$9,197.50	\$6,617.50	\$3,953,750.00
Applications > 3,000	0	Apps.	\$8,210.00	\$5,790.00	\$0.00
Total for R3 Applications	1,500	Apps.	\$12,613,750.00		
R3 HQS INSPECTIONS					
Task	Qty. [A]	Units [B]	Unit Cost [C]		Total Cost [D=AxC]
R3 HQS Inspection	500	Each	\$600.54		\$300,270.00
Total for R3 HQS Inspections					\$300,270.00
ADDITIONAL SERVICES					
Task	Qty. [A]	Units [B]	Unit Cost [C]		Total Cost [D=AxC]
Appraisal of Market Value	1,200	Each	\$424.85		\$509,820.00
Intake Centers	360	Months	\$1,169.34		\$420,962.40
Total for Additional Services					\$930,782.40
Total Contract Amount					\$22,693,267.78

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- An award to AECOM Technical Services, Inc. for a total amount of \$22,384,943.00 and a 3-year term for Program Management Services under CDBG-DR distributed as shown in the following table.

Table 6: Summary of Award to AECOM Technical Services, Inc.					
TASK					AWARDED COST
PROGRAM MANAGEMENT AND ADMINISTRATION					
Maximum Monthly Cost					\$370,743.00
Total for 3-Years of Service (36 Months)					\$13,346,748.00
R3 APPLICATIONS					
Range of Applications	Qty. [A]	Units [B]	Cost Per App. (Insp. by PM) [C]	Cost Per App. (Insp. by Mun.) [D]	Total Cost [E=A/2x(C+D)]
Applications 1 to 1,000	1,000	Apps.	\$5,413.52	\$4,190.24	\$4,801,880.00
Applications 1,001 to 3,000	500	Apps.	\$5,142.85	\$3,980.77	\$2,280,895.00
Applications > 3,000	0	Apps.	\$4,885.68	\$3,781.72	\$0.00
Total for R3 Applications	1,500	Apps.			\$7,082,785.00
R3 HQS INSPECTIONS					
Task	Qty. [A]	Units [B]	Unit Cost [C]		Total Cost [D=AxC]
R3 HQS Inspection	500	Each	\$500.18		\$250,090.00
Total for R3 HQS Inspections					\$250,090.00
ADDITIONAL SERVICES					
Task	Qty. [A]	Units [B]	Unit Cost [C]		Total Cost [D=AxC]
Appraisal of Market Value	1,200	Each	\$525.00		\$630,000.00
Intake Centers	360	Months	\$2,987.00		\$1,075,320.00
Total for Additional Services					\$1,705,320.00
Total Contract Amount					\$22,384,943.00

The list of Proposers, which is attached hereto and made an integral part hereof as **Exhibit III**, details the names, addresses, and contact information of all Proposers that submitted a Proposal in response to the RFP.

Any person, party, or entity that considers itself having been adversely affected by an award determination of the Bid Board made under the provisions of the CDBG-DR Manual, may file a petition for reconsideration with the PRDOH Bid Review Board (Request for Reconsideration) within 20 days from the date on which a copy of the Notice of Award was duly notified in accordance with Section 3.19 of Act 38-2017, as amended, Uniform Administrative Procedure Act of the Government of Puerto Rico. Simultaneously, with the filing of the Request for Reconsideration, said person, party, or entity shall submit a copy of the Request to all the parties in the procedure and to the PRDOH. The Review Board shall consider the motion for reconsideration within thirty (30) calendar days from the date of filing thereof, which term the Review Board may extend once for just cause for an additional period of fifteen (15) calendar days.

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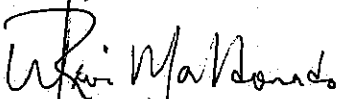
If the Review Board issues a decision on the motion for reconsideration, the term to file a request for judicial review before the Court of Appeals will begin as of the date of deposit of a copy of the corresponding notice with the U.S. Postal Service. If the Review Board does not issue a decision on the motion for reconsideration within the term allowed by law, the motion will be deemed denied as of right, and the term to file a request for judicial review will begin to run as of the date thereof, as provided in Section 3.19 of Act 38-2017.

An original and two copies of the motion for reconsideration shall be filed to the Secretary of the Review Board, and a copy thereof shall be filed with the Bid Board.

Any Respondent that considers itself adversely affected by this Notice or the determination of the Review Board on a request for reconsideration, may file a request for judicial review before the Court of Appeals within twenty (20) calendar days from the date of deposit of the corresponding notice with the U.S. Postal Service, or within twenty (20) days from the date of expiration of the term, hence deemed denied as of right, set forth in Section 4.2 of Act 38-2017.

This Award Notice does not represent a contract or constitute a contractual relationship between the PRDOH and your firm.

Sincerely,

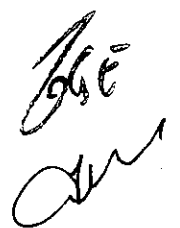


William G. Ríos-Maldonado, Esq.
CDBG-DR Procurement Director

Attachments

cc.

Mrs. Luz M. Acevedo-Pellot, PE, Chairman
Ms. Niurka E. Rivera-Rivera, Member
Mr. Omar Figueroa-Vázquez, Esq.
Mr. José Torres-Echevarría, Member
Adalgisa Polanco, Secretary



I hereby certify that this Notice of Award was delivered to all Proposers listed in **Exhibit III**.

Receipt Number: _____



BID BOARD

Request for Proposals
Program Management Services
CDBG-DR-RFP-2018-04

RESOLUTION OF AWARD

Date: May 28, 2019

Time: 3:12pm

The Bid Board of the Puerto Rico Department of Housing (the "Board") with quorum duly constituted, pursuant Article II, Section 1 (e) of the Regulation No. 9075 of February 26, 2019, Procurement Manual and Contractual Requirements for CDBG-DR (Regulation 9075), upon evaluation of the recommendation issued by the CDBG-DR Procurement Office regarding the process for the Program Management Services under the Request for Proposals No. CDBG-DR-RFP-2018-04 (RFP-2018-04), including the Evaluation Committee Report dated April 29, 2019, has decided to award the RFP-2018-04 to the following Proposers: **(i) Innovative Emergency Management, Inc. for the total amount of \$22,280,143.65 and a 3-year term; (ii) ICF Incorporated, LLC for the total amount of \$25,054,079.92 and a 3-year term; (iii) Alliance for the Recovery of Puerto Rico SRL for the total amount of \$22,693,267.78 and a 3 year term; and (iv) AECOM Technical Services, Inc. for the total amount of \$22,384,943.00 and a 3 year term.** All Proposers demonstrated through their Proposals that they understand the PRDOH objectives for the services after the evaluation of the work approach requirements set forth in the RFP-2018-04.

This RFP process was conducted after the Bid Board evaluation of the Statements of Qualifications (SOQ) and selection of the abovementioned qualified firms pursuant the requirements under the Request for Qualifications for Program Management Services No. CDBG-DR-RFP-2018-01 on September 26, 2018.

On October 10, 2018, the PRDOH issued the Request for Proposals No. CDBG-DR-RFP-2018-04 for Program Management Services (the RFP). On November 14, 2018, the PRDOH Procurement Office received a total of four Proposals. An Evaluation Committee was appointed by the PRDOH to review, score, and make recommendations to the Bid Board.

The Evaluation Committee performed an evaluation of the Proposals based on the criteria stated in the RFP. The following criteria were considered as part of the evaluation:

- Mandatory Requirements (Pass/Fail) (Section 6.1 of the RFP)
- Work Approach (100 points) (Section 6.3 of the RFP)
- Cost Requirements (Section 7 of the RFP)

Initial evaluation considered the Mandatory Requirements of the Proposals stated in Section 6.1 of the RFP. Those Proposers whose Proposals met the Mandatory Requirements were evaluated by the Evaluation Committee for Work Approach and Cost Requirements.

*Jose
Orellana*



The Proposers were scored using a Price Per Point methodology as required by Section 8.4 of the RFP to determine the Proposers whose Proposals are most advantageous to the PRDOH. The Evaluation Committee evaluated the Cost Proposals submitted by Proposers and combined the technical and economic aspects of the Proposals to determine the Proposers whose Proposals, conforming to the RFP, are most advantageous to the PRDOH. A summary of the results of the evaluation of each Proposal is shown in **Table 1** below.

Table 1: Summary of Proposals Evaluation

Proposer	Mandatory Requirements	Technical Points	Proposal Cost	Price Per Point
Innovative Emergency Management, Inc.	Pass	70.77	\$98,738,532.00	\$1,395,203.22
ICF Incorporated, LLC	Pass	99.50	\$58,383,009.68	\$586,763.92
Alliance for the Recovery of Puerto Rico	Pass	77.83	\$228,713,156.15	\$2,938,624.65
AECOM Technical Services, Inc.	Pass	76.83	\$25,508,678.00	\$332,014.55

According to Regulation No. 9075 of February 26, 2019, the Procurement Manual and Contractual Requirements for CDBG-DR, prior to publishing the RFP, on September 5, 2018, the PRDOH prepared an Independent Cost Estimate (ICE) using market prices and past experience with this type of services in the amount of \$134,700,480. Due to differences between the Unit Pricing of the ICE and the prices received from Proposers, as well as additions and modifications to tasks of the RFP during the Document Availability Period, on April 11, 2019 the ICE was revised to help evaluate offers. Pursuant to the revised ICE, the services were estimated in the amount of \$104,159,480 and a revised Certification of Funds in this amount was issued by the Finance Department on May 20, 2019. The revised ICE is shown in **Table 2**.

Table 2: Revised Independent Cost Estimate Dated April 11, 2019

Task Description	Qty.	Units	Unit Price	Estimated Cost
Program Management and Administration (4 PMs)	36	Month	\$1,291,680.00	\$46,500,480.00
R3 Complete Applications	6,000	EA	\$800.00	\$4,800,000.00
R3 Damage Assessments	6,000	EA	\$1,500.00	\$9,000,000.00
R3 Award Coordination	6,000	EA	\$2,000.00	\$12,000,000.00
R3 Inspections & Payments requests (by PM)	12,000	EA	\$875.00	\$10,500,000.00
R3 Inspections & Payments requests (by Municipalities)	12,000	EA	\$300.00	\$3,600,000.00
R3 Application Closeout	6,000	EA	\$700.00	\$4,200,000.00
HER Complete Application	6,000	EA	\$250.00	\$1,500,000.00
HER Award Coordination	6,000	EA	\$300.00	\$1,800,000.00
HER Inspections and Payment Requests	6,000	EA	\$700.00	\$4,200,000.00
HER Application Closeout	6,000	EA	\$200.00	\$1,200,000.00
Appraisal of Home Market Value	4,800	EA	\$625.00	\$3,000,000.00
Intake Centers (Max. 40)	1,440	Months	\$1,100.00	\$1,584,000.00
R3 HQS Inspections	500	EA	\$550.00	\$275,000.00
Total Estimated Cost				\$104,159,480.00

Table 3 was developed to help the Evaluation Committee to compare the overall Cost Proposals submitted with the revised ICE. **Table 3** also considers the Program



Management and Administration task for a single Program Manager with a unit price of \$322,920.00. The RFP only requested unit pricing from Proposers for the Appraisal of Home Market Value and Intake Center tasks. The PRDOH would establish the amount for the allowances upon the RFP's award. Therefore, these tasks are not a part of the Proposers' overall Proposal Cost.

Table 3: Amounts for Comparison with Cost Proposals

Task Description	Qty.	Units	Unit Price	Estimated Cost
Program Management and Administration (1 PM)	36	Month	\$322,920.00	\$11,625,120.00
R3 Complete Applications	6,000	EA	\$800.00	\$4,800,000.00
R3 Damage Assessments	6,000	EA	\$1,500.00	\$9,000,000.00
R3 Award Coordination	6,000	EA	\$2,000.00	\$12,000,000.00
R3 Inspections & Payments (by PM)	12,000	EA	\$875.00	\$10,500,000.00
R3 Inspections & Payments (by Municipalities)	12,000	EA	\$300.00	\$3,600,000.00
R3 Application Closeout	6,000	EA	\$700.00	\$4,200,000.00
HER Complete Application	6,000	EA	\$250.00	\$1,500,000.00
HER Award Coordination	6,000	EA	\$300.00	\$1,800,000.00
HER Inspections and Payment Requests	6,000	EA	\$700.00	\$4,200,000.00
HER Application Closeout	6,000	EA	\$200.00	\$1,200,000.00
Appraisal of Home Market Value (No Qty. in Cost Proposals)	0	EA	\$625.00	\$0.00
Intake Centers (No Qty. in Cost Proposal)	0	Months	\$1,100.00	\$0.00
R3 HQS Inspections	500	EA	\$550.00	\$275,000.00
Total Estimated Cost				\$64,700,120.00

A recommendation of the area of some changes were made in the Scope of Work of the Program Management Services. Accordingly, requested the following changes to the Scope of Work of the Program Management Services: (i) remove all tasks under the RFP related to the HER Program as this program suffered changes in the substantial amendment to the Action Plan and is beyond the Scope of Work for the Program Management Services. The Substantial Amendment to the Action Plan was approved by the U.S. Department of Housing and Urban Development (HUD) on February 28, 2019.

The Procurement Office sent letters to all Proposers to revise their Cost Proposals. The revised Cost Proposals would be considered the Proposers' Best and Final Offers (BAFO). The Procurement Office received the BAFOs from all Proposers, as well as detailed cost breakdowns of the costs assumed in their unit pricing.

Since the Public Relations Coordinator and the Community Coordinator positions were removed from the Scope of Work, the Program Management and Administration task was modified to a monthly cost of \$275,310.00 for a single Program Manager. Also, all the Home Energy Resilience Program tasks were removed from the Scope of Work. **Table 4** was developed to compare the overall Cost revised Proposals submitted with the ICE.



Table 4: Amounts for Comparison with Revised Cost Proposals

Task Description	Qty.	Units	Unit Price	Estimated Cost
Program Management and Administration (1 PM)	36	Month	\$275,310.00	\$9,911,160.00
R3 Complete Applications	6,000	EA	\$800.00	\$4,800,000.00
R3 Damage Assessments	6,000	EA	\$1,500.00	\$9,000,000.00
R3 Award Coordination	6,000	EA	\$2,000.00	\$12,000,000.00
R3 Inspections & Payments (by PM)	12,000	EA	\$875.00	\$10,500,000.00
R3 Inspections & Payments (by Municipalities)	12,000	EA	\$300.00	\$3,600,000.00
R3 Application Closeout	6,000	EA	\$700.00	\$4,200,000.00
HER Complete Application	0	EA	\$250.00	\$0.00
HER Award Coordination	0	EA	\$300.00	\$0.00
HER Inspections and Payment Requests	0	EA	\$700.00	\$0.00
HER Application Closeout	0	EA	\$200.00	\$0.00
Appraisal of Home Market Value (No Qty. in Cost Proposals)	0	EA	\$625.00	\$0.00
Intake Centers (No Qty. in Cost Proposal)	0	Months	\$1,100.00	\$0.00
R3 HQS Inspections	500	EA	\$550.00	\$275,000.00
Total Estimated Cost				\$54,286,160.00

After reviewing, the revised Cost Proposals received and their cost breakdowns the Procurement Office came to the conclusions shown in Table 5 regarding cost reasonableness.

Table 5: Summary of Cost Reasonableness of BAFOs Received on May 17, 2019

Task	IEM	ICF	Alliance	AECOM
Program Management and Adm. (base of \$275,310/month)	R	R	R	R
R3 Cost per App. (Inspections by PM) (base of \$8,500)	H	R	H	L
R3 Cost per App. (Inspections by Mun.) (base of \$6,200)	H	R	H	L
Appraisal of Home Market Value (base of \$625)	R	R	L	L
Intake Centers (base of \$1,100)	H	R	R	H
Appraisal of Home Market Value (base of \$625)	R	R	R	L

Legend: L = Low | R = Reasonable | H = High

The Procurement Office sent a letter to all Proposers inviting them to individual meetings to be held at the PRDOH Headquarters for the understanding of PM Services proposals of each proposers as per requested.

Following the meetings, the Procurement Office requested a second BAFO from all Proposers.

At the date and time established for the submission of the BAFOs, the Procurement Office received responses from all Proposers. Table 6 shows a comparison of the overall Cost Proposals submitted by the Proposers with the amounts of Table 4



Table 6: Comparison of Revised Overall Proposal Cost with ICE

Proposer	ICE	Cost Proposal	% Dif. w/ ICE
IEM		\$60,137,018.85	+10.8%
ICF	\$54,286,160.00	\$49,928,202.00	-8.0%
Alliance		\$54,325,588.38	+0.1%
AECOM		\$40,523,400.00	-25.4%

With the final Cost Proposals received, the scoring of the Proposals according to the RFP requirements is shown in Table 7.

Table 7: Proposal Scoring After BAFOs

Proposer	Technical Points	Revised Cost Proposal	Price Per Point	Reasonable Cost
IEM	70.77	\$60,137,018.85	\$849,752.99	Yes
ICF	99.50	\$49,928,202.00	\$501,790.97	Yes
Alliance	77.83	\$54,325,588.38	\$698,003.19	Yes
AECOM	76.83	\$40,523,400.00	\$527,442.41	Yes

Given everything discussed, the Evaluation Committee's recommendation, the BAFOs received, and pursuant to the terms of the RFP, the Procurement Office recommend that awards be issued to all Proposers of the RFP. The Procurement Office also recommend that such awards be for a quantity of 1,500 applications of the Home Repair, Reconstruction, or Relocation Program. This splits the estimated workload evenly amongst the awarded Proposers in accordance with the terms of the RFP. The Procurement Office also recommend that the awards include a quantity of 1,200. Appraisal of Home Market Value tasks and 360 monthly payments for Intake Centers to each Proposer as the allowance for these services.

Table 8. Procurement Office BAFO analysis regardless of pm recommendation for applications and contract period

TASK	PROPOSERS			
Task	IEM	ICF	ALLIANCE	AECOM
Program Management and Adm. (36 months)	\$ 6,290,878.85	\$11,394,376.92	\$ 8,848,465.38	\$ 13,346,748.00
R3 Cost per Applications(1st 1,000 and 2nd 500)	\$ 13,591,780.00	\$12,366,060.00	\$ 12,613,750.00	\$ 7,082,785.00
R3 HQS Inspections (500 each)	\$ 300,000.00	\$ 307,375.00	\$ 300,270.00	\$ 250,090.00
Intake Centers(360 monthly payments) & Appraisal of Home Market Value(1,200)	\$ 2,097,484.80	\$ 986,268.00	\$ 930,782.40	\$ 1,705,320.00
TOTAL	\$ 22,280,140.65	\$25,054,079.92	\$ 22,693,267.78	\$22,384,943.00

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All Proposers are responsive and responsible after consideration of the RFP requirements and their Proposals. All Proposers demonstrated through their Proposals that they understand the PRDOH objectives for the services after the evaluation of the work approach requirements in the RFP. The Procurement Office searched the System for Award Management (SAM) and confirmed Proposers'm



eligibility. The Limited Denial of Participation (LDP), HUD Funding Disqualifications and Voluntary Abstention List as of May 23, 2019 was also searched to confirm that Proposers are not under a HUD imposed LDP.

The awards hereby issued add up to a total of \$92,412,434.35. This amount is lower than the total funds certified for the services under the Home Repair, Reconstruction, or Relocation Program on May 20, 2019 of \$95,459,480.00 (\$90,686,506 under activity no. R01H07RRR-DOH-LMI and \$4,772,974 under activity no. R01H07RRR-DOH-UN).

The Bid Board Resolution shall be notified to all persons or legal entities who submitted Proposals in response to the RFP-2018-04. The Award Notice shall indicate that any person, party or entity that considers itself having been adversely affected by an award determination of the Bid Board made under the provisions of the Regulation 9075, may file a petition for reconsideration with the Bid Review Board (Request for Reconsideration) within 20 days from the date on which a copy of the Award Notice was duly notified in accordance with Section 3.19 of Act 38-2017, Uniform Administrative Procedures Act of the Government of Puerto Rico. Simultaneously, with the filing of the Request for Reconsideration, said person, party or entity shall submit a copy of the Request to all the parties in the procedure and to the Puerto Rico Department of Housing (PRDOH). Alternatively, a petition for review may be filed before the Court of Appeals of Puerto Rico.

The mere presentation of a Request for Reconsideration will not have the effect of halting the contested award. The Bid Review Board may or may not consider the Request for Reconsideration. The terms in relation to this action or lack of action, as well as its Judicial review, if any, shall be those established in Act 38-2017, *supra*.

Signed by:

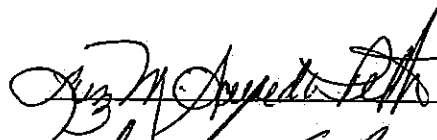
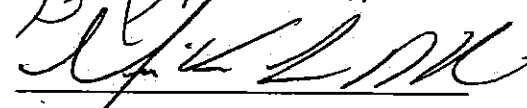



Ms. Luz M. Acevedo Pellot, P.E.
Chairman

Ms. Niurka E. Rivera Rivera

Mr. Joel Ayala Martínez

Mr. José Torres Echevarría

Mr. Omar Figueroa Vázquez, Esq.



- Abstenido -




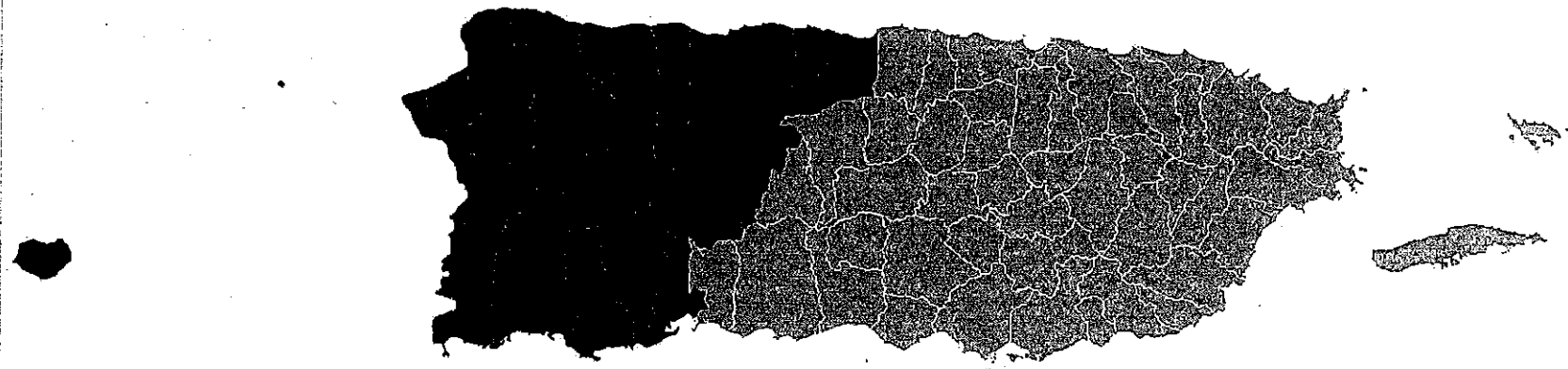


CERTIFICATION: I hereby certify that I have delivered the original of the Resolution to William G. Rios Maldonado, Esq., Procurement Director under CDBG-DR, on this 31 of May 2019.


Adalgisa Polanco Reyes
Secretary, Bid Board

Exhibit II: Program Management Services Region Assignment

■ Innovative Emergency Management, Inc. ■ Others



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GOVERNMENT OF PUERTO RICO
Department of Housing

EXHIBIT III
LIST OF PROPOSERS

Request for Proposals
Program Management Services
CDBG-DR-RFP-2018-04

No.	Proposer Name	Address	Telephone
1	Innovative Emergency Management, Inc.	Mr. Brad Tiffée Innovative Emergency Management Inc. P.O. Box 110265 Durham, NC 27709-5265 brad.tiffée@iem.com	(225) 952-8229
2	ICF Incorporated, LLC	Mrs. Dorothy A. Shields ICF Incorporated, LLC 9300 Lee Highway Fairfax, VA 22031 dotti.shields@icf.com	(703) 218-2580
3	Alliance for the Recovery of Puerto Rico	Mr. Raymundo Martínez Alliance for the Recovery of Puerto Rico Rexco Industrial Park Edificio Santa Marina 2 #300 Guaynabo, PR 00968-8061 ray.martínez@atkinsglobal.com	(787) 773-1849
4	AECOM Technical Services, Inc.	Mr. Vahid Ownjazyari AECOM Technical Services, Inc. 954 Ponce de León Avenue Miramar Center Plaza, Suite 300 San Juan, PR 00907 vahid.ownjazyari@aecom.com	(703) 218-2580

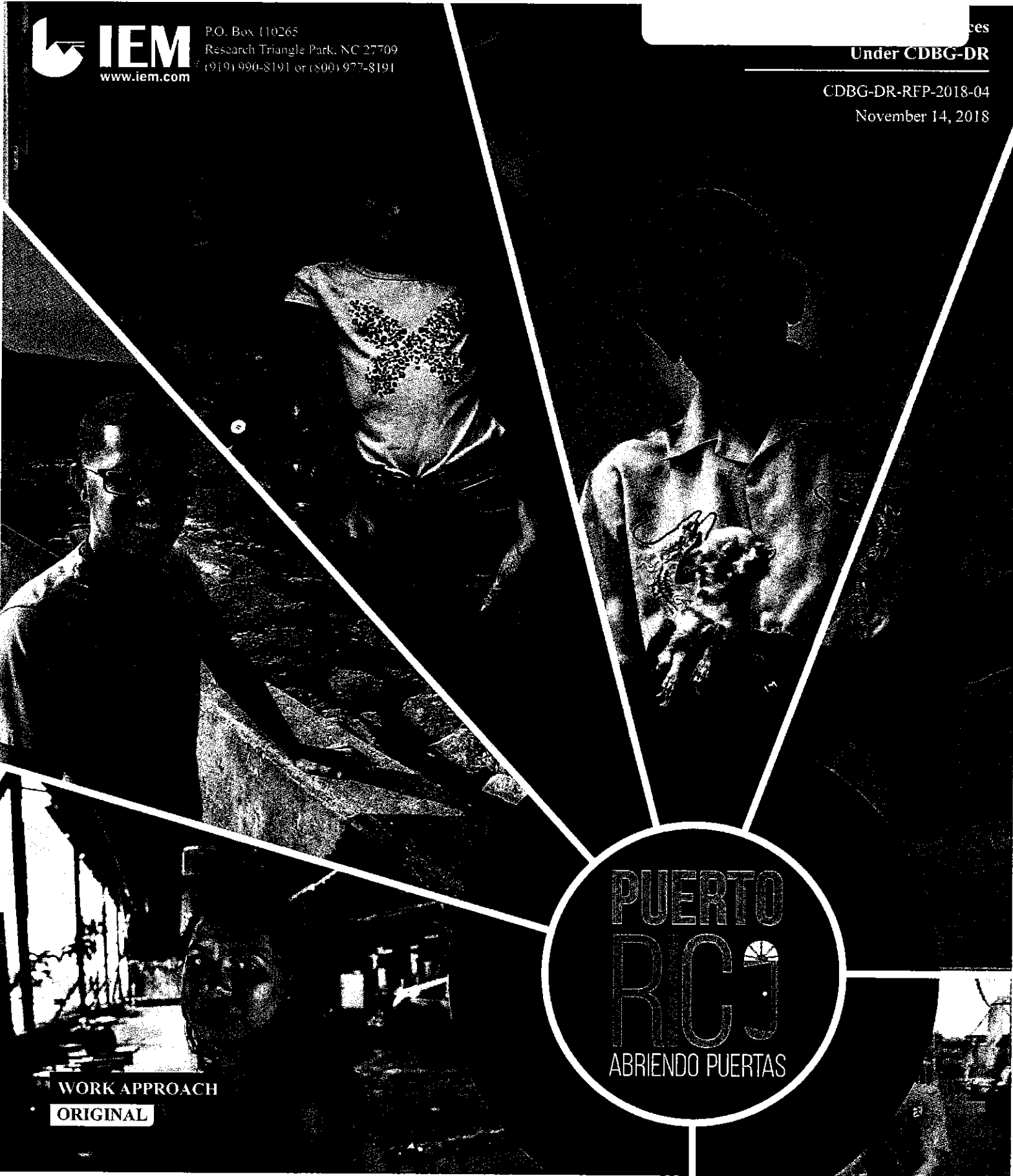
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P.O. Box 110265
Research Triangle Park, NC 27709
(919) 990-8191 or (800) 977-8191

ces
Under CDBG-DR

CDBG-DR-RFP-2018-04
November 14, 2018



WORK APPROACH
ORIGINAL

John

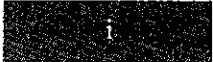


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Jose
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Work Approach Checklist

IEM's completed work approach check list is provided on the following page.

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GOVERNMENT OF PUERTO RICO

Department of Housing

EXHIBIT A-2

WORK APPROACH PROPOSAL CHECKLIST

Request for Proposals

Program Management Services

Community Development Block Grant – Disaster Recovery

CDBG-DR-RFP-2018-04

(Revised for Addendum No. 3)

Submitted Proposals shall incorporate the following documents in the order provided, the forms included as part of the RFP must be completed and incorporated as part of the Proposal. The PRDOH reserves the right to reject any Proposal that does not fully satisfy these requirements. Proposer shall mark its initials in the space provided below to indicate its compliance with the Checklist's requirements.

Tab	Initials	Document Description
	<i>FL</i>	Company Cover Page
	<i>CH</i>	Proposal is bound into a single document using plastic comb or metal ring binders at the left margin of the page
	<i>CH</i>	One (1) original of the Proposal Three (3) physical copy of the Proposal One (1) electronic copy of the Proposal One (1) redacted copy of the Proposal (if applicable)
1	<i>CH</i>	Exhibit A-2: Work Approach Proposal Checklist
2	<i>CH</i>	Work Approach
3	<i>CH</i>	Examples of Past Deliverables (Item 6.3.6 of the RFP)
4	<i>CH</i>	Plan for Compliance with Section 3 (Item 6.3.7 of the RFP)

Proposer's Signature

11/14/2018

Date

Ted Lemcke, Chief Operating Officer

Proposer's Printed Name

Ted Lemcke

1.0 Understanding of the Overall Implementation of the Housing Programs [RFP 6.3.1]

Single-Family Repair, Reconstruction or Relocation (R3) Program: Hurricanes Irma and Maria affected approximately 90% of households in Puerto Rico. Puerto Rico's plan to invest more than half of the available recovery funding into housing creates a tremendous opportunity to repair and rebuild safe and affordable resilient housing¹.

Puerto Rico's housing sector was stressed before the storms with challenges that included lack of proper title, buildings constructed without permits, and little or no insurance in many cases². Many are built in the 100-year floodplain, floodways, or in seismically active zones. From 2005 to 2016, Puerto Rico lost 45,880 households, lowering median housing values 10%, and leaving 18% of homes vacant. More than half of vacant homes are foreclosed or abandoned, and a recently lifted foreclosure moratorium is creating fears of a new foreclosure crisis.

Puerto Rico Department of Housing (PRDOH)'s injection of significant recovery funds into housing will promote confidence in Puerto Rico's future. IEM's support will achieve Puerto Rico's Transformation and Innovation Plan goals. Specifically, IEM's solutions will assist in repairing, rebuilding, and relocating eligible homes and creating a more resilient housing sector (HOU 1³) with redevelopment of homes in areas safer from storms and earthquakes (HOU 3); compliant with wind, water, and earthquake codes (HOU 4, HOU 6); with clear, updated titles (HOU 12); and, addressing environmental issues like lead and asbestos (HSS 2). IEM's FORTIFIED homes certified building professionals and our non-profit partners such as FLASH will help build stronger communities (PBD 10). R3 and housing counseling will help homeowners prevent foreclosure and understand the need for code compliance and insurance (HOU 9). CDBG-DR funding requires the purchase flood insurance, increasing financial resiliency for future storms (HOU 8). Relocated homeowners may use previously vacant but repaired to code properties, reducing blight (HOU 10). Our case management, inspections, and construction oversight create sustainable jobs for Puerto Ricans (ECN 25). IEM's unique position as Florida's Hurricane Irma Program Manager can support outreach to Puerto Ricans so they can return home and be a part of this vibrant future.

¹ Transformation and Innovation in the Wake of Devastation, August 2018.

² At least 30% of Puerto Rico's homes lack proper titles, 53% of homes and commercial structures have been built without permits, 70% of homes lack home insurance, and only 3% carry flood insurance.

³ Recovery goals from Transformation and Innovation Plan (HOU, HSS, etc.)



PUERTO RICO
ABRIENDO PUERTAS

Housing Counseling: IEM will work with the PRDOH-assigned HUD-certified housing counseling agencies, potentially including the four agencies that IEM already has on our team. Rigorous research shows that housing counseling is very effective: counseled homeowners are 2.83 times more likely to get a loan modification and 70% less likely to default; those in foreclosure were 70% more likely to get up to date on payments. More timely and longer counseling had better results. Short distances to counseling centers or counseling outreach events increased good results. Financial literacy and a savings goal strongly affect willingness to move, especially for low-income homeowners (using banks for savings increased this effect). IEM has a good partner in First Bank, who can assist with banking-related questions and help.

IEM will work closely with assigned agencies on counseling for: financial literacy, credit repair, mortgage delinquency, foreclosure (HOU 9), access to other resources (National Voluntary Organizations Active in Disaster [VOADs], Continuum of Care, Section 8, other rental subsidy programs, community and non-profit agencies, housing opportunities for persons with AIDS, access and mobility programs).

IEM will also work with counseling agencies on helping low-income homeowners who have substantial home damage and are living in high risk areas (flood, seismic) to relocate to high-opportunity areas (low-poverty, non-minority, safer). Relocating to high-opportunity areas gives homeowners safer locations and Puerto Rico greater resiliency, but it can also create stress and resistance. IEM knows and will apply lessons learned from other communities. We know that experiments indicate that intensive mobility counseling with a voucher for and prior visits to high opportunity neighborhoods helped homeowners move from their home locations. Our approach includes evidence-based information on how to better serve homeowners making such mobility decisions.

Eligible homeowners must use Option 1 to select a home in high-opportunity areas that meets the \$120K or regional cap. Selected homes may need repair to meet code requirements. If Option 1 is not feasible, homeowners will be allowed to choose reconstruction of a new home on a lot in a high-opportunity area (Option 2).

Home Energy Resilience (HER): The catastrophic power outages after Maria demonstrated to the world the urgency of a more robust energy resilience system for Puerto Ricans. Disaster recovery is an opportunity for Puerto Rico to address both power availability and the historically

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high local energy costs. A rapid deployment program providing elderly and low-income residents with gas or solar powered water heaters, and/or gas-powered stoves and the related appurtenances necessary for their installation and maintenance will support the ability of residents to maintain basic functions in the face of future disaster (HSS 1). IEM will qualify homeowners and renters for this voucher program, verify completion of work through inspections, and close out each file with all proper documentation. Another, larger program also funded through CDBG-DR will provide funding for solar panels or for water resiliency systems for homes. Eligible applicants will be required to cost-share for this larger program.

Developing a demand-side solution focused at increasing household's energy resilience such as the Home Energy Resilience (HER) program, coupled with the implementation of weatherization measures through the Single-Family Rehabilitation, Reconstruction, or relocation (R3) program can provide a quick and economical alternative to reduce the impacts suffered by Puerto Ricans during blackouts while at the same time lessening the burdens posed by costly energy bills and reducing the load on the grid, effectively increasing its reliability. An energy-efficient gas stove can bring savings of up to 60% compared to an electric one. If 6,000 households receive these benefits, the load on the grid could be reduced by more than 6 Mega Watts (MW), equivalent to 1.4 times the total capacity of the Windmar Ponce Solar PV farm. If 100,000 households are serviced instead, the load on the grid could be reduced up to 102 MW, equivalent to the total capacity of the San Fermin Solar Farm and the Santa Isabel Wind Farm combined. All of this while also allowing residents to shower, prepare meals, and stay cooler for longer in the event of an outage. Installation of solar panels on thousands of homes can further reduce energy costs and attaching battery storage and connection to the power grid, can allow homeowners to sell energy back to the grid – actually generating income as well as increasing total energy supply. **Most importantly, energy and water resiliency can mean the difference between life and death after major catastrophes – especially in energy and water vulnerable communities** (See Diagram on page 4).

*Joe
Garcia*

The Story of ISABELLA

BEHIND-THE-SCENES

- Isabella hears about program from Public Outreach contractor
- CDBG Call Center calls Isabella

- PRDOH verifies eligibility
- PRDOH reviews for HER
- PRDOH approves counseling

- PRDOH reviews Duplication of Benefits and award amount
- PRDOH approves award



1 ISABELLA COMES TO IEM FOR COUNSELING

- Isabella comes to the IEM Intake Center near her home.
- Natalia, her assigned case worker, gives Isabella a checklist of all needed documents, a Homeowner Guidebook, and a sample One Doc.



2 ISABELLA COMPLETES APPLICATION

- Natalia verifies all documents are completed and explains Home Energy Resiliency to Isabella.
- She notes that Isabella is struggling with mortgage payments.



3 CONSTRUCTION

- Isabella's Contractor, IEM Inspector, and the Environmental contractor meet at Isabella's home.
- Isabella, contractor, and inspector sign off on the scope of work.



4 ISABELLA RECEIVES COUNSELING

- Isabella receives counseling on finances, mortgage management, and other needs.



5 ISABELLA GETS REPAIR LETTER/ AWARD

- Isabella gets award letter and Notice to Proceed for repair.
- She also gets voucher for gas stove.



6 CONSTRUCTION DISCUSSIONS

- Isabella has pre-construction meeting with GC and IEM Construction Advisor.
- Construction starts. Her GC is a FORTIFIED Home™ provider.
- Inspector verifies 50% and 100% completion, draw requests.
- Isabella is done.
- She is happy – she is safe in her home.
- She saves \$550 per year in energy costs.

- PRDOH approves payment to GC, gas stove vendor, and installer.



R/V program homes will comply with the Green Building Standard. Construction contractors may be FORTIFIED Home™ and LEED-certified vendors. Construction will comply with 2011 building code for wind, water and seismic resistance. Many homes will have solar or gas stoves or water heaters. Others may have solar panels or water catchment systems. Puerto Rico will achieve the vision of resiliency outlined in the Recovery Plan and be a leader in resiliency for the U.S.

THE ISABELLA STORY



MEET ISABELLA, a homeowner displaced by Maria. Let's follow her journey through the recovery process from beginning to end.

Isabella has a limited income, is elderly, and has moderate damage to her home and not eligible for relocation. Her community has power challenges.

COMMUNITY BENEFITS

- Re-constructed home to updated codes
- 60% energy savings from gas stoves, \$550 per year savings from efficient water heaters
- Lower demands on energy grid – making grid more reliable
- Improved financial and mortgage status after counseling
- Financial resiliency for citizens

2.0 Overall Plan for the Management of the Different Tasks and Deliverables [RFP 6.3.2]

2.1 Task 00: General Program Management and Administration

IEM has a unique and proven approach to CDBG-DR housing programs. Some of the unique ways we approach complex housing programs are described below:

Outcomes: Our work approach comes from our values – we believe that much better results are possible for disaster survivors. We start with understanding the outcomes that our customers value. Each CDBG-DR grantee defines success differently – and, we start with those ends in mind. We will customize our approach to the outcomes that define success for PRDOH. Our approach has transformed the disaster recovery field (see **Diagram on page 6**).

Milestones: Secondly, IEM will work with PRDOH to set goals for milestones. Progress of PRDOH housing recovery will constantly be measured, but the scrutiny is higher at expected milestones, such as the start of hurricane season (June 1), anniversary of Maria (September 20), and Christmas (December 25). HUD allows grantees one year of time before tracking if programs are “slow spender” or “on track.” For PRDOH, the milestone will be at the same time as the Maria anniversary. We will set high, achievable goals for these milestones.

Program Management Leadership: We are committing the most knowledgeable and renowned CDBG-DR program manager in the country to Puerto Rico. **IEM’s Mr. Jon Mabry is known and respected as the best CDBG-DR leader in the nation.** Mr. Mabry has not only led the most successful CDBG-DR programs, he has trained most of the professionals in the CDBG-DR field. IEM has the largest cadre of CDBG-DR experts in the nation, including **Fernando Castro Alvarez**, who was the HUD EDC Fellow reviewing energy and water resiliency for Puerto Rico.

Best Local Companies with Deep Expertise: The IEM Team has the best local partners. Our team includes: TSG, who performs over 70% of title searches in Puerto Rico; and the parent company of four of the 10 selected housing counseling agencies. We include the second largest call center company; large solar companies in Puerto Rico; and one of the largest architecture and design firms, as well as many other companies local to Puerto Rico.

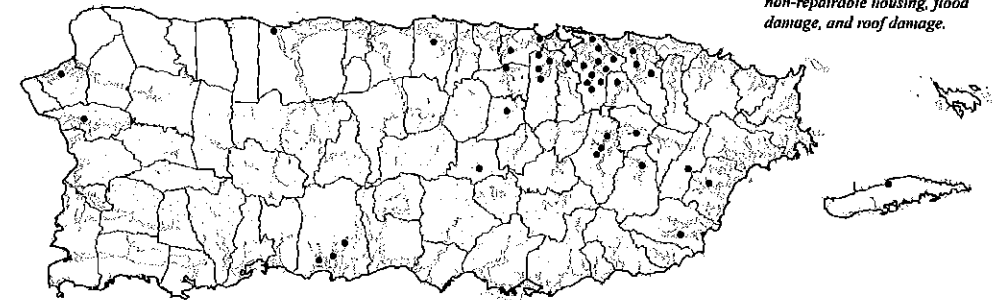
Use of IT Systems, Data Analytics: IEM understands the critical importance of workflow systems that can assist efficient processing of applicant data, while reducing errors and costs. We are familiar with most IT systems in use for CDBG-DR programs across the nation.



START-UP

	IBM Key Program Management staff will be ready in 2 weeks after contract execution.
	Government Furnished Items (GFI). We will coordinate with PRDOH for GFI needed for a quick start, including approved Intake Center locations, revised maps for floodplains, maps of seismic and tsunami activity, relocation and resettlement communities, energy and water vulnerable communities and other items.
	IBM Program Management Team will coordinate with PRDOH on policies and procedures for R3, HBR, Housing Counseling, checklists, SOPs, deliverables and reporting.
	IBM Intake Centers will be ready in 30 days after contract execution. We will recruit, onboard and train local personnel for intake, eligibility, inspections and other functions.
	IBM's Data Manager will coordinate with PRDOH on the State of Record, HUD's, Rescue data. Our Data Manager will also coordinate with 3rd party data providers such as FEMA, SBA, Insurance companies, mortgage companies and others.
	IBM's Community Coordinators and Public Relations Coordinator will reach out to all municipalities participating in PRDOH programs - (1) R3, HBR, and/or housing counseling (2) R3 Inspection program (3) energy or water vulnerable areas (4) potential relocation communities (5) potential resettlement communities. The Community Coordinators will also connect to local permitting agencies.
	IBM's Public Relations Coordinator will coordinate with PRDOH Public Office on contractor outreach, applicant outreach, community coordination and provision of PRDOH information.
	IBM's Call Center Manager and Public Relations Coordinator will coordinate with the PRDOH CDBG Call Center on call hand-offs, escalation, tracking of calls, and handling calls to meet the 48-hour call response window.
	IBM's Housing Counseling Manager will coordinate with PRDOH on the housing counseling agencies to understand capabilities, service capacity, available and workflow on assigning homevisitors.
	IBM's Environmental Manager will coordinate with the PRDOH Environmental Review contractor to ensure they are ready to conduct Tier 1 and Tier 2 inspections, lead-based paint and other hazardous materials inspections. This coordination will include methods for management of 1 week deadline for One-Stop Integrated scheduling of damage assessment and environmental review.
	IBM's HBR Manager will coordinate with HBR vendors and HBR installers to understand workflow requirements, installation specifics and timelines for vendors and installers.

INTAKE CENTERS - 40 Static Locations



* See transparencies for data on non-repairable housing, flood damage, and roof damage.

• Static Intake Center

1	San Juan	San Juan	14	Lomas de Carolina	Carolina	28	Aguada	Aguada
2	Pinero	San Juan	15	Bairoa	Bairo	29	Arecibo	Arecibo
3	La Riviera	San Juan	16	Caguas	Caguas	30	Vega Baja	Vega Baja
4	Santa Rita	San Juan	17	Villa del Rey 4	Caguas	31	Toa Alta	Toa Alta
5	Sevilla	San Juan	18	Gurabo	Gurabo	32	Campanilla	Campanilla
6	Park Gardens	San Juan	19	San Lorenzo	San Lorenzo	33	Levittown	Levittown
7	El Cerezo	San Juan	20	Las Piedras	Las Piedras	34	Teresita	Bayamon
8	Hillside	San Juan	21	Humacao	Humacao	35	Bayamon	Bayamon
9	Riviera de Cupey	Ciudad Senorial	22	Vieques	Vieques	36	Sierra Linda	Bayamon
10	Montehiedra	Paseo San Juan	23	Yabucoa	Yabucoa	37	Buena Vista	Bayamon
11	Trujillo Alto	Trujillo Alto	24	Las Monjitas	Ponce	38	Garden	Guaynabo
12	Castellana Gardens	Carolina	25	Ponce	Ponce	39	Namunjito	Namunjito
13	Plaza Carolina	Carolina	26	Las Margaritas	Ponce	40	Barranquitas	Barranquitas
			27	Anasco	Anasco			

Focus on Survivors: IEM is the largest woman-founded emergency Management and Homeland Security company in the world. We have focused on survivors for 34 years. We are not indebted to shareholders, investors, or banks, and do not jump in and out of disaster recovery based on the amount of funding available. We know another storm or earthquake can occur any time, and people need to get into safe homes as quickly as possible.

Our “Secret Sauce” of Delivering Fast, Compliant, Cost-Effective Programs: Over the course of pushing ourselves to deliver faster, cheaper, better, we have developed our own “secret sauce” of moving CDBG-DR housing programs beyond our client’s expectations and goals. No other proposer has this secret sauce. No other proposer has run so many housing recovery programs recently and successfully (see **Diagram on page 8** for likely implications of this for PRDOH).

Streamlined Policies and Procedures: IEM has recent and successful lessons learned from many CDBG-DR housing programs around the nation. We will work with PRDOH to make sure policies and procedures are streamlined and efficient. We will develop and submit a Project Plan to PRDOH, outlining outcomes, milestones, and workflows.

Knowledge of the Latest Recovery Regulations: IEM professionals know the latest recovery regulations (DRRA, SBA DOB changes, others), and understand the impact of these changes. We worked with Congressman Garret Graves, who was instrumental in getting the SBA Duplication of Benefits (DOB) passed—a substantial change to CDBG-DR housing programs.

Coordination and System Integration: IEM is a system integrator for large, complex CDBG-DR programs. We know how to coordinate, motivate and compel performance from other contractors, our subcontractors, and our own staff. We drive accountability from top to bottom.

Innovations: IEM stands for Innovative Emergency Management. We bring innovative ideas that we and grantees developed to solve problems for other programs. This includes **Macro House** (to lower time and costs for damage assessments) and **One Doc One Knock** (to reduce costs and hassle for housing applicants).

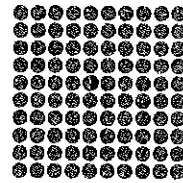
Synergy with FEMA Funds through Global Match: IEM has helped New York do more through CDBG-DR and FEMA PA/HMGP Global Match than any other grantee. Global Match can leverage CDBG-DR funds for large, important infrastructure programs for Puerto Rico.

Florida Evacuee Coordination: IEM is the program manager for Florida for Irma, Matthew and Hermine. We can assist in coordinating evacuee outreach in Florida, where most Puerto Rican evacuees have gone.

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CUSTOMER SATISFACTION

Housing programs touch many citizens and can generate many complaints. Under IEM's program management for Restore Louisiana, only 371 of 51,895 survey respondents (0.7%) complained. About 5% of citizens asked questions on HUD policies, primarily on Duplication of Benefits.

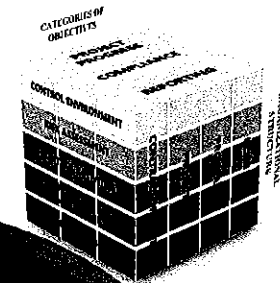


COMPLIANCE

IEM's delivery approach may avoid errors or claw-backs / deobligations of over \$220 million.

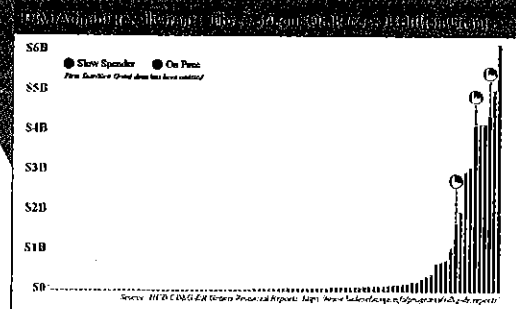
In addition IEM has seen:

- Errors at unprecedentedly low levels at 1/10 of 1% (MS)
- Errors higher if coming in after inexperienced contractor – 1.5%



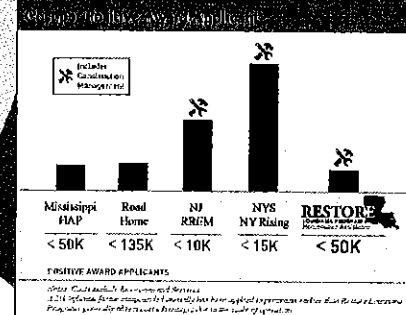
SCOPE

IEM's program delivery approach may save HUD billions of dollars over a traditional delivery approach. HUD's goal is to get the most out of its money. By providing an earlier consultation, IEM's program delivery approach can help HUD to get the most out of its money. IEM's program delivery approach can help HUD to get the most out of its money. IEM's program delivery approach can help HUD to get the most out of its money.



COST

IEM has run the most cost-effective program in the traditional contract model. IEM's program delivery approach can help HUD to get the most out of its money. IEM's program delivery approach can help HUD to get the most out of its money. IEM's program delivery approach can help HUD to get the most out of its money.



PROFILES

IEM'S APPROACH MAKES A DIFFERENCE FOR CDBG-DR HOUSING PROGRAMS

Where's the Beef?

No es lo mismo decirlo que hacerlo

IEM has been the State Program Manager for six large and recent CDBG-DR housing programs – which is more than all other proposers combined. And, we have managed them for the outcomes that our clients wanted. We have balanced the competing interests of Scope, Speed, and Cost (the "Iron Triangle" or "Triple Constraints" of complex program management). IEM has balanced these and 3 other forces (called Extended Triple Constraints): Compliance, Customer Satisfaction, and Risk Balance for large CDBG-DR programs. Saying with words and proving with numbers – are two different things.

The chart below describes how IEM will meet the requirements for Program Management. We also highlight practices that set us apart from other contractor and *Best Practices* (highlighted in bold blue text).

IEM Approach to Requirement		IEM Best Practices
Start-Up	<ul style="list-style-type: none">IEM's key staff will be ready for work within 2 weeks after contract executionIEM will secure the necessary offices, Intake Centers (if needed), and furnish with equipment and furnishings for efficient operations.Initial staff to support key staff will be ready to provide support.	<ul style="list-style-type: none"><i>IEM will meet with PRDOH personnel, understand expected outcomes, milestones for Housing Programs</i><i>IEM will develop revised staffing scheme showing mobilization levels by week and month to guide staffing decisions.</i><i>IEM will coordinate receipt of Government Furnished Items and Information</i>Key staff will meet with and coordinate with PRDOH contractors, vendors, general contractors, municipalities, and third-party data providers
Operational Support	<ul style="list-style-type: none">IEM key staff will attend PRDOH training session. Key staff will train the IEM trainers, who will be responsible for providing training to all personnel hired.<i>Working with PRDOH, IEM will develop guidelines and policies for each of the Housing Programs for submission to HUD. IEM has multiple HUD-approved policies to draw from and national-level CDBG policy experts.</i>Based on PRDOH outcomes, milestones for various Housing Programs, and the interconnections of programs, IEM will develop a Project Plan to produce the results that PRDOH desires. IEM will develop a Communication Plan that covers program reporting against performance milestones, structure of scheduled meetings with PRDOH and stakeholders, and the types, frequency, and formats of information provided to communities and media.Based on program policies, outcomes and milestones, and the capabilities of the PRDOH system of record, IEM will request approval to use other IT systems, as needed. IEM will clearly note how data will be synchronized with PRDOH system. Our Compliance Manager and Data Manager will review systems to ensure that data will be gathered, used and stored on compliance with major funding sources including CDBG-DR and FEMA HMOP.We will develop detailed SOPs for each major program activity and keep these procedures updated.As programs get underway, IEM will document all applicant interactions in the PRDOH system of record. We will review all deliverables under our program purview through periodic checks, and QC checks to ensure compliance with program policies. We will report on the progress of program activities at the frequency levels specified in the Communication Plan.We will create a Risk Register and monitor for risks. As soon as an issue becomes evident, we will inform PRDOH and offer analysis and recommendations, we will track each issue until it is resolved.Data will be stored in the PRDOH system of record and ancillary, approved systems for ease of access for audits and monitoring.	<ul style="list-style-type: none"><i>IEM will review PRDOH case management workflow, System of Record and receive documentation and training on the System. IEM will pay close attention that the system meets all aspects of the housing recovery programs, and that there are compliance checks integrated into the system. IEM will review the ability of the system to assist in reporting, dashboarding, and supporting data analytics. We will pay special attention to the specific compliance requirements for federal funding streams, including CDBG-DR, FEMA HMOP, and any other funding sources.</i><i>IEM will flow-chart each of the major program activities and gather data analytics to understand how applicant data is moving through the system. This will help us identify bottlenecks as soon as they begin to form. We will conduct root cause analysis to find the cause(s) of bottlenecks and eradicate or minimize them.</i><i>IEM will use daily production reports to drive performance across the program. Our key staff are well-versed in the leadership processes of motivating, monitoring, and holding large teams of people accountable for production, efficiency, accuracy, and empathy to survivors.</i>

IEM Approach to Requirement		IEM Best Practices
Project Management	<ul style="list-style-type: none">▪ IEM will staff an adequate number of Project Managers to oversee engineering and construction activities for the PRDOH housing programs.▪ Based on the funding allocations for each program, and PRDOH's desired outcomes by specific milestones, we will establish performance benchmarks and budgets. These project schedules will identify the expected bottlenecks or critical stages, and where close monitoring will be necessary to accomplish the performance benchmarks. Budgets will be allocated at activity levels so that progress can be gauged both for schedule and costs.▪ IEM will manage all R3, HER, and Housing Counseling activities assigned. We will ensure that contractors and subcontractors are complying with all applicable federal, state, and local laws and regulations. Governor Rossello recently raised the minimum wage to \$15 per hour – we will enforce this standard for PRDOH housing programs. We will monitor and inspect construction contractor files for compliance with Sec. 3. We will also monitor for compliance with all applicable environmental, construction, financial and all HUD and federal regulations, including 2 CFR 200.▪ It is imperative that applicants be able to qualify for flood insurance. IEM will ensure that all applicants in flood zones are notified of the requirement to carry flood insurance, repaired homes are elevated to the right BFE levels, and that compliance is verified through inspections.▪ Relocation of applicants from flood areas may use Global Match with CDBG-DR and FEMA HMGP funds. IEM will ensure that acquisition, demolition, clearance and final disposition of properties is conducted in compliance with CDBG-DR and FEMA HMGP, and other funding requirements. If tenants are present at the property, we will make sure that URA rules are complied with.▪ We will track project schedules using PRDOH mandated software and integrate schedules into the overall Program Schedule.▪ We will support documentation and data needs for the PRDOH Appeals Board.	<ul style="list-style-type: none">▪ <i>IEM has successfully used portfolio management processes to continue to drive successes and achieve excellence. We will identify the various program "portfolios" in the Project Plan and continue to monitor and advise PRDOH on the optimal set of activities, funds, or files to pursue to maintain a good operational tempo.</i>
Construction and Statutory Compliance	<ul style="list-style-type: none">▪ IEM staff will review and approve change orders from construction contractors, ensuring that there is a documented rationale and reasonable cost associated with each request.▪ IEM staff will periodically visit construction sites and interview contractor staff to ensure that all law and regulations are being followed.▪ We will track warranty calls against contractors and vendors, and make sure that the contractors and vendors are fulfilling their obligations 100%.▪ All URA supportive actions for tenants will be in compliance with URA regulations and will be logged in the system of record.	<ul style="list-style-type: none">▪ Change orders are a necessary evil of construction programs. We understand the need to have a tight rein on the change order process to ensure that program costs are controlled. In addition, HUD has mandated strong cost reasonableness requirements for CDBG-DR funds. We will manage each change order request, as well as continue to track overall program-wide effects of all change orders.



	IEM Approach to Requirement	IEM Best Practices
Document Control and Management	<ul style="list-style-type: none"> IEM will set up a physical paper environment for storage of all program information. This will form a backup for the electronic data. IEM will work with PRDOH to create an IT ecosystem for storage of all data and documentation, no large program has a single system that houses all data and documents. A hybrid environment is the case with every program we are aware of. IEM will work with PRDOH to support an IT ecosystem for PRDOH's housing programs that IEM is supporting. Any new IT tools recommended will comply with the PRDOH PI policies. All program data and documentation will be housed for easy 25 x 7 retrieval. 	<ul style="list-style-type: none"> IEM has experience with numerous CDBG-DR systems and associated program tools, e.g., HUD DRGR, SIROMS, eGrants, IntelliGrants, OnBase, Salesforce-based systems. We also have experience with SmartSheets, JIRA, SharePoint, Microsoft CRM, Appian, Microsoft Office tools, MS Project, etc.
Accounting and Reporting	<ul style="list-style-type: none"> IEM is well-aware of the need for daily, weekly, and monthly reporting for CDBG-DR housing programs. We also understand that each customer is unique and has unique reporting needs. We will work closely with PRDOH to identify the types of reports that are most meaningful for Puerto Rico – including those for executive, community/media, operational, and production level reports. We will provide PRDOH with reports for critical activities, especially in support of the portfolio management approach. We will support status review of all housing programs with data analytics and quantitative information to guide PRDOH decisions. IEM will support PRDOH in preparing mandatory HUD reports. In support of financial management of CDBG-DR grant funds, IEM will monitor and manage funds from HUD, as well as funds received from applicants (escrow, insurance subrogation, returned funds, etc.). Funds received from homeowners for escrow or insurance subrogation will be rigorously managed. As invoices and receipts are received, we will assist PRDOH in requesting drawdown of HUD funds. IEM will periodically inventory and reconcile all Government Furnished Items. 	<ul style="list-style-type: none"> IEM has a library full of reporting formats for CDBG-DR housing programs. We have provided some examples of our reports for various customers as part of an appendix to this proposal. Despite that, we know that each client is unique and very quickly we develop custom reports to satisfy unique needs. We work with our customers to develop report formats early in the program lifecycle, so that reports are consistent and can easily and clearly show the progress of each program.
Applicant Relations	<ul style="list-style-type: none"> IEM will set up local Program Management Call Center and coordinate with the CDBG Call Center. Our Call Center personnel will be trained to help applicants with the application process, inform them of eligibility documents needed, and receive any complaints. The Call Center will connect applicants to their case worker. IEM will coordinate with the PRDOH Public Outreach contractor to reach to potential applicants. We will use media, PSAs, letter campaigns, and outbound calls using FEMA and Tu Hogar Renace lists to contact applicants. We will document public outreach efforts. IEM uses many means of communication with applicants, including phone, email, texts, as well as online submissions. Once they enter the program, we work closely with applicants. Each applicant is assigned a specific case worker as advocate and guide through the lifecycle of their engagement with the program. We will respond to complaints or requests within a 48-hour window, and conform to customer service standards established by PRDOH. All communication with applicants will be logged into the PRDOH system of record. 	<ul style="list-style-type: none"> IEM uses Call Center personnel to perform a variety of functions. Initially, when applicant volume is high, the Call Center mainly takes inbound calls and advises callers on programs. Once applicants are registered and have assigned case workers, call center staff shift to assisting with scheduling of inspections. They also make out-bound calls to homeowners, so that we continue to keep in touch. An IEM Best Practice is to attempt to get 80% of the applicants registered into the program within 60 days. This flow of applicants if necessary to move the program forward at a good speed. The IEM Team has the ability to send mass text messages to applicants, increasing the ability to rapidly and effectively communicate program information. IEM has successfully deployed online registration systems as well as integrated DocuSign capabilities. This allows applicants to upload files, if Internet service is available. Even if not as many applicants may have the bandwidth to do so, it can ease the process for some and provide case workers more time to work with applicants who come to Intake Centers. IEM uses a structured system of communications to applicants at specific stages of the program. This has resulted in some of the lowest complaint records in housing recovery programs.

2.2 Task 01(A): Complete Applications of Repair, Reconstruction, Relocation (R3) Program

IEM will work closely with the PRDOH Call Center and Public Outreach Contractor to coordinate program messaging and scripts and expedite program registration. **IEM's Best Practice is to have 80% of applicants register in 60 days.** As the Program Manager for Florida Irma, Hermine, and Matthew, IEM is uniquely able to connect Puerto Ricans in Florida to PRDOH programs registration. IEM will maximize intake opportunities by providing customer support via our call center agents, at static intake centers and at off-site locations and special events.

Bringing the program to the people through additional off-site events and locations is the most effective way to reach every impacted homeowner. Mobile communications equipped vans can provide meaningful opportunities for application intake, particularly in the early stages of program delivery.

IEM will recruit, onboard, and train bilingual case workers from impacted communities. As IEM's Best Practice, we select for social skills, empathy, and long-term commitment to serve applicants access to more remote locations or to mobility-challenged applicants. Further, extended hours during the work week and operational hours on weekends increase from beginning to end. Many of our staff are disaster survivors themselves who fully understand that the application process and documentation requirements in CDBG-DR programs can be overwhelming to those who have already gone through multiple applications for assistance.

IEM's empathetic intake specialists work to ease the burden on each applicant and to provide each with the knowledge and tools necessary to confidently move forward toward recovery. Our case management solutions result in high satisfaction rates for homeowners. At each step of the way, IEM intake specialists will remain in contact with, provide status updates to, track communications with, and educate applicants about the process (see Diagram on page 15). We will create bilingual R3 and Home Energy Resiliency (HER) Guides and Housing Counseling Factsheets. Program Guides will include information on insurance, program rules, expected timeframes, applicant responsibilities, and options to track application status online.

IEM will coordinate with PRDOH to create a One Doc solution. **One Doc is an IEM innovation to ease the burden for homeowners and reduce overall program costs for PRDOH.** This is a

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ABRIENDO PUERTAS

combined document that has all releases and agreements consolidated to simplify the process for homeowners and save them trips to the Intake Center. Through one-on-one work, our intake specialists can identify program options available to each applicant, explain benefits and the requirements for qualification. IEM will collect all required information from applicants to evaluate each applicant's eligibility and document duplication of benefits, including any offsets that may be possible. IEM's clear, frequent, and continued applicant communication has proven a model for success when assisting applicants through what can be a daunting grant process. Providing applicants with "next step" education is a critical function of our intake specialists.

We will review title information for applicants, and if needed, we will ask them to sign affidavits and provide supporting documents for ownership. We will coordinate with PRDOH-selected title clearance contractors so that as soon as applicants clear title, IEM can engage with them and enter them in R3 program. Homeowners will also be referred to the title clearance companies, if needed, as soon as possible, so they can fix their titles and come back to R3 program.

We will make sure that information is collected for PRDOH to provide the maximum award for which each survivor qualifies. Our intake specialists will work with applicants to properly document disabilities that may require special accommodation throughout the applicants' tenure with the program and which may require special consideration for accessibility in construction. We will also work in coordination with PRDOH to develop the requisite missing documentation, withdrawal confirmation, award determination, ineligibility, and appeal rights notifications that will be approved for communicating program needs/decisions to applicants. We will develop these materials consistent with program policies and procedures. IEM case workers will pay special attention to any foreclosure, mortgage payment, and credit issues. If present, we will note the need for housing counseling services, subject to PRDOH approval. All data, letters, and notes will be entered into the PRDOH system of record. IEM will use Best QC Practices: Level 1 QC for completeness and Level 2 QC (one over one review) for eligibility before sending files to PRDOH. We will monitor application flow for bottlenecks using data analytics to resolve immediately.

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Displacement due to Irma or Maria may trigger additional benefits through 42 U.S.C. Chapter 61, the Uniform Relocation Assistance and Real Property Acquisition Act (1970), as amended. The Uniform Relocation Act (URA) requires notices, housing advisory services, and relocation

benefits when certain parameters are met. IEM will evaluate each applicant household member for URA implications.

IEM teaches staff to constantly monitor open applications and prompt applicants to re-engage with the program to complete the application process. We coordinate to obtain incomplete or missing information and monitor open issues to ensure that they are investigated and resolved.

IEM will notify applicants who are deemed ineligible of the reason for the determination, the options available to cure the defect, and explain the applicants' appeal rights. We provide this information in writing and meet with applicants who wish to discuss options in person. We will provide an eligibility decision justification to the program appeals team. IEM produces daily, weekly, and monthly reports for executive, operational, and media audiences.

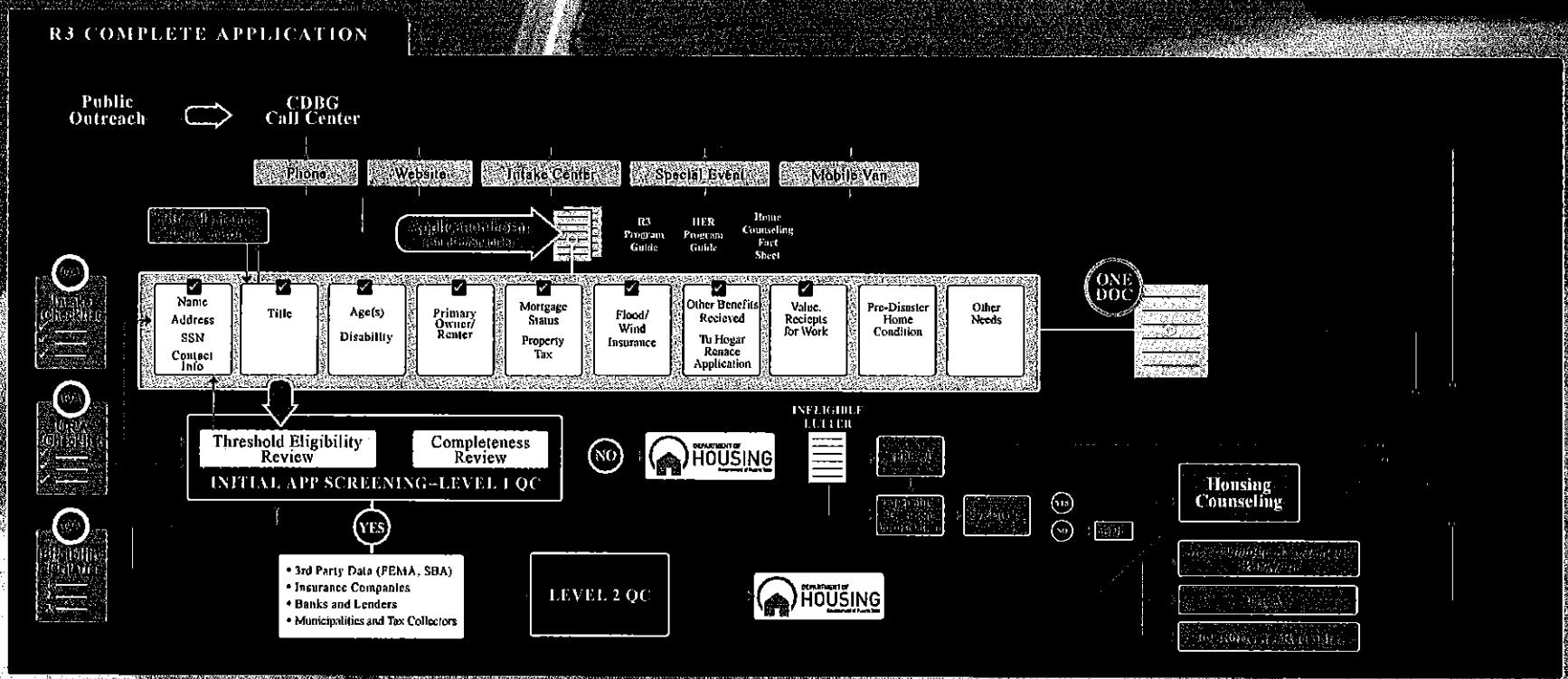
2.3 Task 01(B): Home Energy Resiliency (HER) Complete Application

Hurricanes Irma and Maria caused a horrific loss of life, by some estimates 2,975 souls perished. Most of the deaths are estimated to have occurred as a result of loss of power, lack of drinkable water, etc. Redesign of resilient energy and water systems will take years. Meanwhile as Puerto Rico recovers from the economic downturn and the storms, there will be higher demand, perhaps as much as 30% more over 10 years. If more homeowners are using alternative sources of energy, the demand on the current fragile energy grid will be lower, increasing the reliability of the grid, as well as lowering energy costs for homeowners, communities, and Puerto Rico overall. As new energy and water systems are put in place, these 21st century energy and water resiliency systems will place Puerto Rico on the forefront of the green energy movement.

PRDOH has two options for homeowners or renters under the Community Energy and Water Resiliency Program – (1) a rapid deployment program to provide gas or solar stoves, or solar water, and (2) solar panels or water catchment system. The 1st program allows \$6,000 per home, including the cost of installation – the total cost being paid by CDBG-DR funds. The 2nd program requires a cost-share from homeowners or renters.

IEM expects that homeowners or renters IEM will staff every Intake Center with at least one energy appliance specialist to answer questions about the HER appliances, their suitability for various homes, and their benefits.





PROCESS DELIVERABLES	MANAGEMENT DELIVERABLES	APPLICANT DELIVERABLES	OUTCOMES	QA/QC (Additional Actions beyond Program-Wide QA/QC)	
<ul style="list-style-type: none"> • Call Center Scripts • Training Materials for Intake Specialist • Workflow Maps • Intake Checklist • URA Checklist • Eligibility Criteria 	<ul style="list-style-type: none"> • Daily, Weekly, Monthly Reports • Briefing Materials (Executive Operational Media) • Updated System of Record • Applicant Notes, Letters 	<ul style="list-style-type: none"> • R3 Program Guide • HER Program Guide • Housing Counseling Fact Sheets • Case Worker for Information, Empathy, and Status • Continuous Status Updates 	<ul style="list-style-type: none"> • Completed Applicants • One Docs 	QA <ul style="list-style-type: none"> • Intake Checklist • URA Checklist • Eligibility Criteria • Training of All CWs on R3 • Level 1 QC Checklist • Level 2 QC Checklist 	QC <ul style="list-style-type: none"> • Dedicated and Trained Level 1 QC staff • Dedicated and Trained Level 2 QC staff • Data Analytics on Level 1 QC and Root Causes • Data Analytics on Level 2 QC and Root Causes • Unannounced Audits

☐ QA CHECK POINTS
 ☐ QC CHECK POINTS
 ☒ VERIFIED

Handwritten signature/initials

The IEM Team includes Puerto Rican and mainland companies with extensive solar systems expertise, and understand Puerto Rico permitting rules, required wind resistance, and with or without battery backups, and with or without tie-ins to the energy grid that allow energy to be sold back to the grid. We will also staff our Intake centers with specialists in solar panels, battery storage (if allowed), and other technical issues. We will have staff that know PRDOH-approved water resiliency options.

Renters who occupied homes that were damaged by the storms as a primary residence also qualify and some may also qualify for the URA program. IEM case workers will cross-walk any eligible applicants that qualify for both programs, so we can deliver services to them. Our energy specialists will review HER applications submitted to see if any follow-up information is needed. IEM will follow strict QA/QC process for HER intake and eligibility process.

IEM will work closely with PRDOH and its Public Outreach contractor to publicize the HER program in selected energy and water-vulnerable communities. Public outreach materials will emphasize the standalone HER program and eligibility criteria. We will also inform R3 applicants of the HER program, especially if they live in selected communities. Daily and weekly, we will filter R3 applications to target the applicants that may qualify for HER and contact them to find their interest in the HER programs.

Working with assigned homeowners or renters, our case workers will explain the HER program, timeline, and eligibility requirements, inquire about inconsistencies in the application, request any additional information, and provide information on how to submit missing information, provide information about the HER appliances that the applicant can potentially receive, and how to care for them, and counsel them about the benefits of implementing additional energy and water resilience strategies. Our case workers will clearly explain the difference between the solar/gas appliance and the solar panels/water resiliency options and the requirements of each.

The completed applications, including HER information, will undergo the Level 1 and Level 2 QC review and be reviewed by PRDOH. If PRDOH selects applicant as being potentially eligible for HER and the applicant is eligible for R3, we will place a note in the file for the damage inspector to collect HER-relevant information during the inspection. Some homes may be a lot more expensive and difficult to install HER appliances into and this information may help prioritize HER awards.

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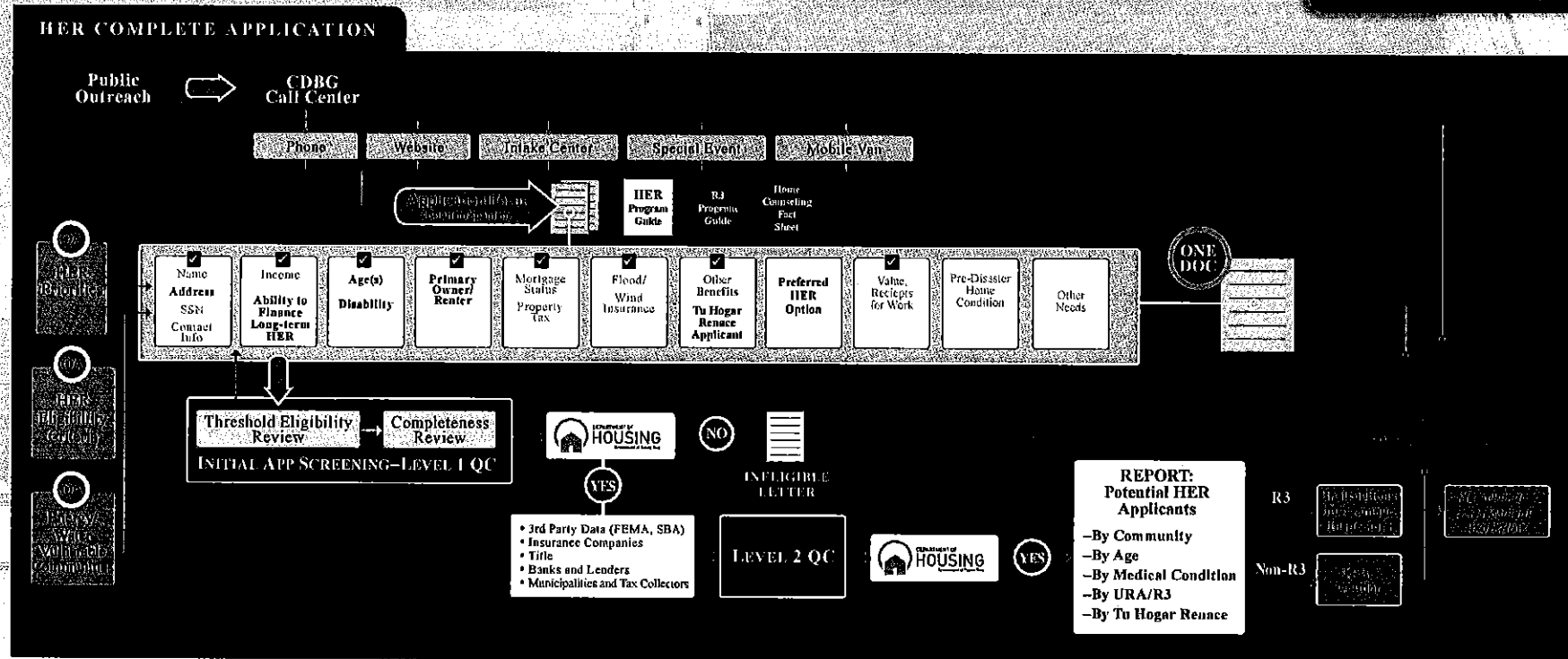
Applicants requesting a voucher for an energy-efficient water heater must provide details about their household such as square footage and a number of floors and rooms in order to determine the required water heater size. If the water heater is too small, it does not provide enough hot water and will run harder, which can cause the heater to fail prematurely. If the water heater is too big, then PRDOH pays for a costlier system, resulting in an inefficient expenditure of funds. Requests for a stove or water heater may have to include the brand and model of the system the applicant currently owns and a photograph to ensure vouchers are provided to those most in need. We will also review the Tu Hogar Renace data files to check benefits each applicant received. In addition, we will ask for data that will assist in estimating solar panel or water resiliency system installation costs.

All information will be added to the PRDOH System of Record. The system will not only facilitate PRDOH's review of applications but will also provide valuable information to support PRDOH's future planning efforts. This data may also be necessary to comply with HUD "Public Service" eligible activity requirements unless waiver approved by HUD.

Applications for HER will be prioritized based on age (65 or older), income (below 80% AMFI), and disability (special needs or medical conditions). Reviewers may also prioritize within categories depending on the equipment currently owned by applicants. Priority will be given to applicants who live in communities that have no, limited or intermittent power and/or water.

PRDOH will apply decision criteria to select the 6,000 homeowners who will receive a HER rapid deployment system award. PRDOH will also approve all applicants that are eligible and selected for a larger, solar panel or water system award. All applicants who have not been selected for a HER award will receive a letter explaining the reasons for the non-selection and describing the process available to appeal. We know that R3 applicants can receive benefits at the R3 program cap and still qualify for one of the HER options. We will supply PRDOH with data that is sliced and diced in a variety of ways to make the best decisions on award of the \$436 million in HER funds for greatest benefit to homeowners, renters, communities and Puerto Rico as a whole. Reducing energy costs reduces energy poverty – allowing citizens to achieve greater social and economic well-being. Reducing energy demands through resiliency increases grid reliability and leapfrogs Puerto Rico into a 21st century green economy. (See Diagram on page 18).

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PROCESS DELIVERABLES	MANAGEMENT DELIVERABLES	APPLICANT DELIVERABLES	OUTCOMES	QA/QC (Additional Actions beyond Program-Wide QA/QC)				
<ul style="list-style-type: none">• Call Center Scripts for HER• Training Materials for Intake Specialists on HER• HER Workflow Maps• Intake and Eligibility SOPs for HER• HER Intake Checklist• URA – HER – Checklist• HER Priority Criteria• Energy, Water Vulnerable Communities List	<ul style="list-style-type: none">• Daily, Weekly, Monthly Reports on HER• Briefing Materials on HER (Executive, Operational, Media)• Data in System of Record• Applicant Notes, Letters• Appeal Status• QA/QC Reports and Process Improvements	<ul style="list-style-type: none">• HER Program Guide• Energy and Water Resiliency Video• Case Worker for Information, Empathy and Status• Continuous Status Updates	<ul style="list-style-type: none">• Eligible HER Applicants• Potential Long-term Community Energy and Water Resilient Applicants	<table><tr><th>QA</th><th>QC</th></tr><tr><td><ul style="list-style-type: none">• HER Specialist at Every Intake Center• SOPs for Intake and Eligibility for HER• URA – HER – Checklist• HER Priority Criteria• Community List• Training of all CWs in HER</td><td><ul style="list-style-type: none">• Applicant Feedback Loop• Data Analytics on Workflow• Unannounced Audits</td></tr></table>	QA	QC	<ul style="list-style-type: none">• HER Specialist at Every Intake Center• SOPs for Intake and Eligibility for HER• URA – HER – Checklist• HER Priority Criteria• Community List• Training of all CWs in HER	<ul style="list-style-type: none">• Applicant Feedback Loop• Data Analytics on Workflow• Unannounced Audits
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■ QA-CHECK POINTS ■ QC CHECK POINTS ■ VERIFIED

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2.4 Task 02: R3 Damage Assessment

Damage assessments serve critical functions in the CDBG-DR grant process. **CDBG-DR damage assessments are very different from Federal Emergency Management Agency (FEMA) inspections, aside from the simple comparison that FEMA Sheltering and Temporary Essential Power (STEP) inspections may have 60 or fewer line items and CDBG-DR damage assessments may use 34,000 lines of potential damages.** The IEM damage assessment is HUD-compliant, including damage verification for tie-back to Irma and Maria, an estimate of work completed (potential duplication of benefit offset), and an estimate of work to be completed. Damage assessments for CDBG-DR can also identify critical aspects/features of the property that require further environmental review. IEM is familiar with the many methods that have been used for CDBG-DR damage assessments, including the use of Xactimate, square footage-based methods, etc. **After the major storms of 2017, to reduce costs and time for detailed damage assessments, IEM created innovative damage assessment method called Macro House (approved by HUD).**

IEM has considerable experience in performing many thousands of CDBG-DR damage assessments, including DOB offsets. IEM has achieved the FORTIFIED SERVICE PROVIDER™ designation. This additional level of certification provides the PRDOH with an extra measure of assurance that inspections and scoping activities will comply with Best Practices. Performing damage assessments after eligibility determination save program dollars by ensuring that this work is only performed when necessary. IEM will coordinate with PRDOH on the design of specific guidelines for damage assessment, including storm damages, code compliance for wind, water, and seismic resiliency, use of additional standards, such as FORTIFID, etc. We have considerable expertise on CDBG-DR damage assessment standards, protocols, and software tools for assessing and documenting repair items for HUD programs.

Preparation: In preparation for damage assessment, IEM will cluster applications certified as eligible by PRDOH, allowing our teams to target inspections with the greatest efficiency. Our inspection team will also isolate homes built prior to 1978 to check for lead-based paint hazards. We will identify if the home is located in a floodplain or seismic risk zone or if there is any record of hazards in the soil or water on or near the home. IEM will make assignments to the inspection team within 24 hours of receipt of eligibility notification. Our inspection team will



schedule a date and time that is convenient for the applicant to allow our team onsite to investigate damages, striving to schedule all inspections within 72 hours of assignment from PRDOH.

Using IEM's One Doc-One Knock approach, we will coordinate with PRDOH's environmental consultants to combine damage assessment and environmental inspection where possible to minimize disruption to applicants. Our scheduling team asks for as much information as possible from homeowners such as estimated date of home, description of damages, approximate amounts spent to date on repair, and presence of any disabled or vulnerable household members. This data is provided to damage assessors for the site visit.

Damage Assessment: IEM's damage assessment inspection results in the quantification and documentation of the value of two distinct actions: 1) the cost to repair the property and 2) the cost of repairs that have already been completed at the property.

Once at the property, our damage assessor meets the applicant and explains the damage assessment process. He will take measurements and document site conditions with photographs and notes. He will complete an Initial Site Assessment and Damage Verification Checklist form. He will document the presence or absence of recognized environmental concerns (RECs) and other resources on or adjacent to the project site. Our inspectors take the GPS location, note the condition of the property and any observed health or safety hazards. Upon completion of the site visit, the damage assessor logs the information. We also include the Initial Site Assessment and Damage Verification Checklist uploaded to each applicant's file. If needed, the inspector will also complete the Environmental Questionnaire.

Damage Assessment Report: IEM will provide a detailed report on the condition of the home and damages identified during the damage assessment (See Diagram on page 21). This report will also include any environmental concerns identified in the Tier 2 report or from any hazardous materials testing for lead, asbestos, etc.



2.5 Task 03(A): Repair, Reconstruction, Relocation (R3) Award Coordination

Environmental Coordination. The results of the environmental review have real and serious implications for the scope of work that will be performed on an applicant's home. Conditions noted in this process must be coordinated with the scope of work to provide safe housing for residents and to satisfy HUD requirements.

R3 DAMAGE ASSESSMENT

PREPARATION

PRDOH approves eligibility



Cluster by Region
(Pre/Post 1978)

Assign to IEM
or Municipal
Inspector

Coordinate with
Environmental
Contractor

Schedule One Knock

ASSESSMENT

Conduct Inspection

- Verify Inner/Main Damage
- Examine Site Elements
- GPS Location
- Examine Exterior Components
- Environmental Review Checklist
- Examine Interior Components
- Notes, Measurements, Photos
- Examine Electrical, Mechanical, Plumbing Systems
- Complete Environmental Questionnaire

REPORT

Generate DA Report

Add Environmental Condition, If Applicable

Inspector QC

DA Team Manager QC

IEM Team QA/QC

Licensed Architect Certification

Submission to PRDOH



HUD-Compliant Damage Assessment Report: Backbone of R3 Awards



IEM's HUD-compliant damage assessment includes each home's site elements, interior and exterior components, and systems to determine the condition (operable, inoperable, replaced), repairs/replacement necessary, and those already completed

Site Elements	Restrictions	Accessibility	Drainage	Improvements	Outbuildings	Yards/Courts	Exterior	Foundation walls, piers	Wall elements	Windows and doors	Weather stripping	Shutters	TBD
Exterior	Awnings	Garage doors	Decks, porches, balconies	Railings and stairs	Roofing	Skylights	Gutters and downspouts	Parapets and gables	Lighting protection	Electrical service entry	Water service entry	Septic tanks	TBD
Interior	Basement and crawlspace	Fungal and insect infestation	Thermal insulation	Structural, electrical, plumbing	Walls and ceilings	Floors	Doors and windows	Closets	Trim and Finishes	Convenience outlets and lighting	HVAC and HVAC sources	Skylights	Tub and shower enclosures
Interior	Ceramic tile	Counters and cabinets	Storage spaces	Stairs and hallways	Smoke detectors	Handrails and guardrails	Laundries	Roof trusses and joist spaces	Main panel board	Branch circuits	Water distribution piping	Equipment	TBD

QA: IEM inspectors will use the Initial Site Verification and Damage Assessment Checklist, PRDOH-approved and provided Damage Assessment Software, and Environmental Questionnaire. All inspectors will be thoroughly trained in program guidelines as well as in the damage assessment software.

QC: IEM Damage Assessment is subject to a 3-level review (1) Each assessor conducts QA/QC of his/her file prior to submission (2) On DA Team managers then perform a thorough completeness and accuracy check (3) IEM DA QA/QC Team then reviews each file to verify that all scope is documented by notes and photographs and scope items are quantitatively accurate and priced correctly. A Puerto Rico-licensed architect or engineer certifies each report.

Deliverables: Workflow Maps and Standard Operating Procedures, Damage Verification for Storm Tie-Back, Damage Verification and Environmental Checklist, Checklist, Initial Site Assessment and Damage Verification Checklist, Damage Assessment and Completed Repairs Templates, Notifications, Green Building Standards, Elevation Requirements, Releases and Certifications, Right of Entry, Reports, GPS Coordinates, Environmental Site Review, Damage Verification, Assessment for remaining work, Assessment of Work Completed, Outcomes, Damage Assessment Report (see fillout) detailing line-item by line-item quantities, materials, and costs necessary for repair or replacement of home components, including substantiating photographs and certified by a duly-licensed professional engineer or architect.

Timeline: IEM anticipates that damage assessments will be assigned to inspectors within 72 hours of PRDOH eligibility approval, subject to homeowner availability. Reports will be completed in an average of 1 week of completion of the inspection.

Failure to coordinate the environmental results with the construction contractor can result in a non-compliant home according to HUD regulations, an uninsurable property or unaffordable insurance rates, expensive re-work and/or additional work to make the home compliant.

Coordination with the applicant is also key as these conditions impact decisions and actions which the applicant must also make.

IEM has worked to coordinate the environmental site conditions for CDBG-DR funded housing programs across the nation. We will coordinate with the PRDOH environmental contractor(s) during the Start-up phase of work and throughout the Program.

- Our team reviews both Tier I and Tier II conditions applicable to each property to identify environmental concerns. We note these conditions on the cover page of construction packages to clearly communicate the condition and the requirements that must be followed by the building contractor and the homeowner.
- Preparing the suggested “conditions approval” information for the PRDOH review of the final environmental review and construction packages allows the PRDOH to be confident that the appropriate notifications have been made.
- In addition to the documentation and notification requirements, IEM works with the contractors to ensure that appropriate permitting for environmental work including lead-based paint, floodplain, drainage, stormwater pollution prevention, building, and other necessary permits have been obtained by the builder.
- IEM Construction Managers verify that the mitigation requirements are included in the scope of work and that the contractor performs this work.
- We also work with the PRDOH to ensure that each funded project complies with 24 CFR Part 58, specifically Part 58.18.
- Once a notice to proceed with construction activities is issued to the building contractor, IEM will coordinate the applicant’s award benefits with the applicant and the builder. This coordination is critical to identify the environmental conditions, any duplication of benefits implications to the award, scope agreement, escrow, subrogation and/or URA services/benefits.

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Finalize Benefit Determination and Verification, Duplication of Benefits, and Scoping: After calculating the total need, IEM will then perform the DOB analysis by combining the total amounts of other housing recovery assistance received from other sources (FEMA, SBA, NFIP, ICC, private insurance, philanthropic organizations). Prior to deducting Duplication of Benefits (DOB) amount from the applicant's total need assessment, our team will verify any DOB offsets for which the applicant may qualify if the applicant used the previous funding on allowable activities. We use information from receipts provided by homeowners. In this way, we are confident that only the required DOB amount is deducted from the ultimate award, maximizing each homeowner's benefit.

During the benefit determination stage, IEM will also perform the feasibility analysis to assess whether the benefit construction activity will be rehabilitation, reconstruction, or relocation. Our feasibility analysis will be consistent with the PRDOH-prescribed methodology and will include considerations such as location of the home in a high hazard area, local jurisdiction requirements, cost of repair exceeding \$48,000 or 50% of the current value, or site conditions requiring one construction method over another

As best practice, IEM will support award letter development such that clear and concise information about the appeal process is included. This step often results in homeowner misunderstanding about the award determination process, inputs, and deductions. Our staff will facilitate consultation meetings with homeowners who seek to gain a better understanding of the award determination or who wish to appeal.

IEM's benefit determination and verification processes require the input of the outstanding award variables such as scope estimated price, mitigation measure costs, and DOB totals to yield a projected award value. In order to properly calculate the scope estimated price, the program unit costs are used and all environmental mitigation costs such as elevation, special site conditions, State Historic Preservation Office requirements, lead, asbestos, radon, and mold mitigation scope with cost are added to the base damage assessment amount. This results in the determination of applicant need in total.

As best practice, IEM will support award letter development such that clear and concise information about the appeal process is included. This step often results in homeowners misunderstanding the award determination process, inputs, and deductions. Our staff will



facilitate consultation meetings with homeowners who seek to gain a better understanding of the award determination or who wish to appeal.

Coordination with Applicant: IEM knows that direct and frequent coordination with homeowners is critical for homeowner understanding of the award determination process. Setting expectations, explaining outcomes, and obligations is crucial when we are facilitating homeowner acceptance of awards.

Using tools such as our Homeowner's Process Map, the award determination tables and construction scope of work, we can clearly explain to each homeowner where they are at in the process, which steps have been completed, and what the next required steps will be.

At the applicant coordination stage of the benefit process, IEM staff will verify the applicant's understanding of the scope of work (benefits to be received) and upon their consent to proceed, we will coordinate the construction start date and applicant relocation during construction. As a part of the One Doc, we will also obtain the subrogation agreement, right of entry, and executed grant agreement.

IEM will process applicant funds for escrow, accepting, holding and reconciling the funds an applicant may need to contribute to his or her construction project due to DOB. We will work to ensure that these funds are distributed to the contractor as the first construction draw, prior to use of any grant funds. This supports the PRDOH's compliance with HUD funding requirements.

For those occupants that require temporary relocation assistance and for which the applicability of the URA is triggered, IEM will comply with PRDOH policies in support of URA objectives and requirements.

Coordination of Construction/Rehabilitation Contractor: Builder performance scores will drive our assignment methodology. Construction contractors who consistently demonstrate higher scores and have the requisite available bonding capacity will be eligible for more projects.

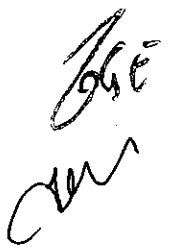
We will work to ensure that these funds are distributed to the contractor as the first construction draw, prior to the use of any grant funds. In this way, we can support the PRDOH's compliance with HUD funding requirements.



IEM staff, experienced in CDBG-DR relocation activities and the URA will also assist the PRDOH with the formulation and review of policies, procedures, forms, and notices required for URA compliance.

In case the applicant is located in the floodway, floodplain or is otherwise eligible for relocation, IEM will seek PRDOH approval to refer the applicant for relocation services. Working with the housing counseling agencies, applicant will be guided to safe areas selected as suitable for relocation (Option 1). Applicant will have information necessary to make home selection (approved square footage, approved home cost, approved list of potential homes, etc.). Once an applicant makes a selection, an HQS inspection will be triggered. This inspection will ensure that the selected home meets HUD Housing Quality Standards. If the home fails to meet HQS, a damage inspection will be performed to estimate repair costs. Upon a home meeting program standards, IEM will assist applicant in closing on the home.

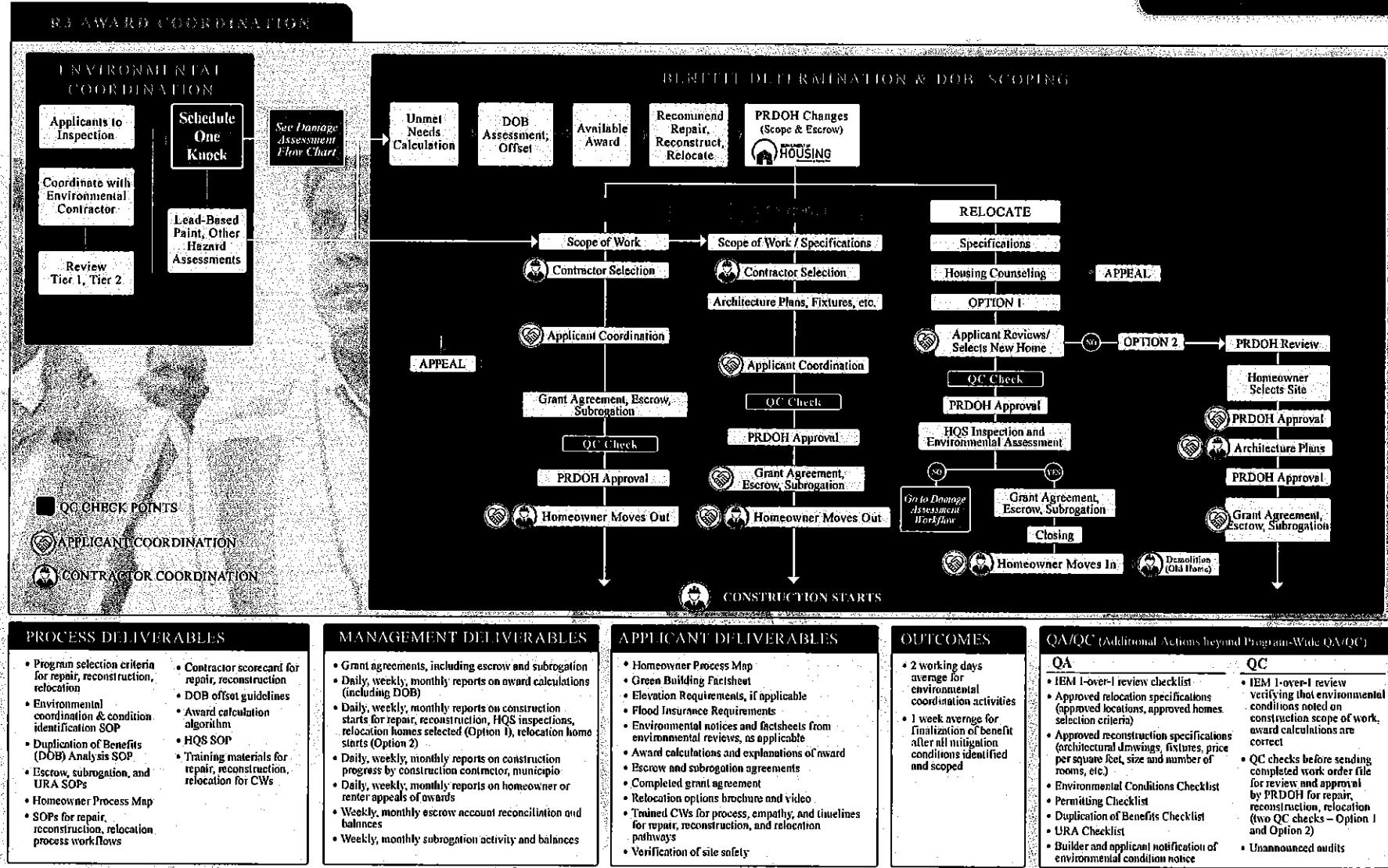
In the event that there are no potential homes that meet program requirements, IEM will recommend Option 2 to PRDOH. Upon PRDOH approval to move applicant to Option 2, applicant will be notified. Applicant will select a suitable lot in an approved, safe location. IEM will assign a construction contractor to the applicant, together with PRDOH-approved architectural drawings and specifications, finishing, fixtures, etc. With PRDOH permission, IEM will oversee the demolition of the applicant's old home and the inspection documenting the demolition. The Option 2 relocation process after this follows the same workflow as the reconstruction workflow for homes built on the same lot as the previously damaged home. (See Diagram on page 26).



2.6 Task 03(B): Home Energy Resiliency (HER) Award Coordination

Finalize Benefit Determination and Verification, Duplication of Benefits, and Scoping: Once IEM receives notice of eligibility from PRDOH, we will perform a final analysis of DOB. The result will have to be larger than the cost of the equipment and installation to be considered.

Ineligible applicants will be notified and told of the appeal process. If eligible and approved by PRDOH, IEM will proceed to develop the work order. The work order will include a description of the work to be performed, estimated hard and soft costs associated with the equipment and its installation, and any other instructions. The work order will be submitted to the PRDOH for final approval, and all relevant information uploaded to System of Record.



PROCESS DELIVERABLES

- Program selection criteria for repair, reconstruction, relocation
- Environmental coordination & condition identification SOP
- Duplication of Benefits (DOB) Analysis SOP
- Escrow, subrogation, and URA SOPs
- Homeowner Process Map
- SOPs for repair, reconstruction, relocation process workflows
- Contractor scorecard for repair, reconstruction
- DOB offset guidelines
- Award calculation algorithm
- HQS SOP
- Training materials for repair, reconstruction, relocation for CWs

MANAGEMENT DELIVERABLES

- Grant agreements, including escrow and subrogation
- Daily, weekly, monthly reports on award calculations (including DOB)
- Daily, weekly, monthly reports on construction progress by construction contractor, HQS inspections, relocation homes selected (Option 1), relocation home starts (Option 2)
- Daily, weekly, monthly reports on construction progress by construction contractor, municipality
- Daily, weekly, monthly reports on homeowner or renter appeals of awards
- Weekly, monthly escrow account reconciliation and balances
- Weekly, monthly subrogation activity and balances

APPLICANT DELIVERABLES

- Homeowner Process Map
- Green Building Factsheet
- Elevation Requirements, if applicable
- Flood Insurance Requirements
- Environmental notices and factsheets from environmental reviews, as applicable
- Award calculations and explanations of award
- Escrow and subrogation agreements
- Completed grant agreement
- Relocation options brochure and video
- Trained CWs for process, empathy, and timelines for repair, reconstruction, and relocation pathways
- Verification of site safety

OUTCOMES

- 2 working days average for environmental coordination activities
- 1 week average for finalization of benefit after all mitigation conditions identified and scoped

QA/QC (Additional Actions beyond Program-Wide QA/QC)

QA	QC
<ul style="list-style-type: none"> IEM 1-over-1 review checklist Approved relocation specifications (approved locations, approved homes selection criteria) Approved reconstruction specifications (architectural drawings, fixtures, price per square foot, size and number of rooms, etc) Environmental Conditions Checklist Permitting Checklist Duplication of Benefits Checklist URA Checklist Builder and applicant notification of environmental condition notice 	<ul style="list-style-type: none"> IEM 1-over-1 review verifying that environmental conditions noted on construction scope of work, award calculations are correct QC checks before sending completed work order file for review and approval by PRDOH for repair, reconstruction, relocation (two QC checks - Option 1 and Option 2) Unannounced audits

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Manager. Efforts to simplify DOB analysis and coordination for awards, while maintaining high-quality standards, will be ongoing. We will provide quarterly QA/QC reports identifying issues, and the actions taken to correct them, to PRDOH.

Timeframes: The timeframe to complete the award coordination process for each awardee will depend on PRDOH's timeframe for processing approvals and the schedule of awardees and contractors. However, IEM will complete all DOB final analyses and work orders, and coordinate with clients and contractors promptly. The development of a work order after final determination of DOB will be completed in an average of one week.

2.7 Task 04 (A1): R3 Progress Inspections & Payment Request (by the PM)

Ensuring that construction services are provided in a manner consistent with the scope of work, program rules, guidelines, and standards, as well as in compliance with local, state, and federal rules is a key CDBG-DR program requirement. Milestone inspections provide the opportunity for the program to ensure that these standards are met, expenses are eligible, and that federal cost principles for reasonableness and necessity are enforced. Further, they provide valuable insight into both individual project progress and quality. IEM will perform milestone inspections at the pre-determined intervals set by the PRDOH. Puerto Rico licensed architects or professional engineers will perform all IEM milestone inspections and certifications.

Coordination of R3 Progress Inspection: IEM will conduct up to four milestone inspections per property depending upon whether the home is a rehabilitation, reconstruction or relocation project, as defined by the PRDOH. The identified milestones include (1) demolition and new foundation, (2) structure completion, (3) home finishes, and (4) final inspection after punch list completion. IEM understands that the demolition and foundation progress and compliance inspections will be conducted at the same time for reconstruction projects. We further understand that for relocation projects the demolition of the old home is to be assessed as part of the final inspection of the project.

As soon as contractor requests for progress inspection are received, IEM will review documentation submitted by the builder to verify that the project merits a progress inspection. If approved, we will assign our inspector and schedule the date and time for performance to fit within the 72-hour request window. IEM's inspector will review and be familiar with the scope

of work and any plans or specifications for the project that will be inspected. For denied requests, the IEM inspection team will document the reason for denial to the builder's representative.

Progress Inspection: IEM's inspection will include a site visit, compliance review, assessment of quality and compliance, documented by field notes and photographic evidence of progress and materials. IEM inspectors will perform a walk-through of the site and observe the progress, materials, and condition of the site, taking note of compliance with program standards. Our inspectors will assess the builder's work for compliance with the project scope of work and any applicable plans / specifications. We will also assess materials and equipment used for this work.

Report on R3 Progress Inspection: We will document findings in a detailed report on the progress and compliance of the work observed. We will assess the site conditions for proper health and safety postings, particularly any notices required for lead hazard mitigation activities. Our report will include a narrative description of the project's progress, a summary of the inspector's assessment of that progress, and a checklist of items that have been completed, and any deficiencies or instances of non-compliance, along with curative measures to be taken. All reports will be substantiated with photographic evidence and certified by a licensed professional engineer or architect.

Should a builder fail a progress inspection and re-inspection be required, IEM inspectors will only inspect those items which previously failed inspection and prepare a follow-up report.

For applicants who receive awards under both the R3 and HER programs, the R3 report and supporting documentation will serve as the final inspection for both programs. Tight coordination of these programs and the applicant's construction outcomes will be critical to ensure that the applicant file is documented thoroughly for both programs.

Review of R3 Progress Report, Contractor Invoice, and Statutory Compliance: IEM will develop inspection checklists consistent with program requirements and in coordination with the PRDOH to ensure that reports document that program and CDBG-DR standards are met through construction. Our inspectors will collect and monitor documentation about the site and the builder's compliance, including builder bonding and insurance documents.

Additionally, we will report on Davis Bacon and URA compliance. Our team will perform due diligence on any topic lacking documentation or which has not demonstrated compliance.



Upon completeness and compliance verification review, IEM will submit each R3 Progress Inspection Report to the PRDOH, the builder, and any third party regulatory entities required. We understand that the R3 Progress Inspection Report will become a part of the builder's pay application. At the completion of construction activities, IEM will complete a performance evaluation of the contractor.

In five days of receiving a draft invoice from the contractor, IEM will review and issue comments, if any, back to the contractor. Using invoicing review checklists approved by PRDOH, IEM will provide a recommendation on contractor payment requests. IEM can assist with submittal of CDBG-DR funding requests to PRDOH finance division. We will track construction expenditures, reconciling requested funds versus funds disbursed. (See Diagram on page 32).

2.8 Task 04(A2): R3 Progress Inspections & Payment Request (by Municipalities)

PRDOH will provide local municipal governments with the option of conducting R3 progress inspections by local government staff or that of their contracted inspection contractor. IEM, as Program Manager, will only be responsible for the coordination of the inspection between the builder and the municipal inspector and review of the municipal Progress Inspection Report submittal. IEM's work for this portion of the program will support payment request verification for municipal governments seeking payment for these inspection services.

Coordination of R3 Progress Inspection: Within 72-hours of contractor request for progress inspection, IEM will review documentation submitted by builders to verify that the project merits a progress inspection. If approved, we will assign the inspection to local municipal government inspector with a date and time for performance to fit within the 72-hour request window. IEM's Inspection Assignment team will provide the scope of work and any plans or specifications the municipal inspector will need. Denied inspection requests will be sent back to the builder with rationale for denial.

Review of R3 Progress Report, Contractor & Municipal Invoice, Statutory Compliance: IEM will review Inspection Reports, contractor and municipal invoices and verify statutory compliance on construction and municipal inspections. We will collect all documentation for these reviews consistent with PRDOH-approved completion checklists. Review topics will include bonding, insurance, Davis Bacon, and URA requirements. We will review each report



for completeness and compliance and perform due diligence related to any review topic that is deficient. IEM will submit each Inspection Report to PRDOH, builder, and any third party regulatory entities necessary. The R3 Progress Inspection Report will become a part of the builder's pay application. If it is the final inspection (construction completed), IEM will also complete a performance evaluation of the contractor.

Within five days of receiving a draft invoice from the contractor or municipality, IEM's Finance Team will review and issue comments back to the contractor or municipality. Using PRDOH-approved invoicing review checklists, IEM will provide a recommendation for approval of contractor and inspector payment requests as well as other pay requests by municipalities. IEM can assist with submittal of complete and compliant CDBG-DR funding requests to PRDOH finance. We will track construction spending, reconciling requested versus funds disbursed. (See **Diagram on page 32**).

2.9 Task 04(B): Home Energy Resiliency (HER) Inspections and Payment Requests

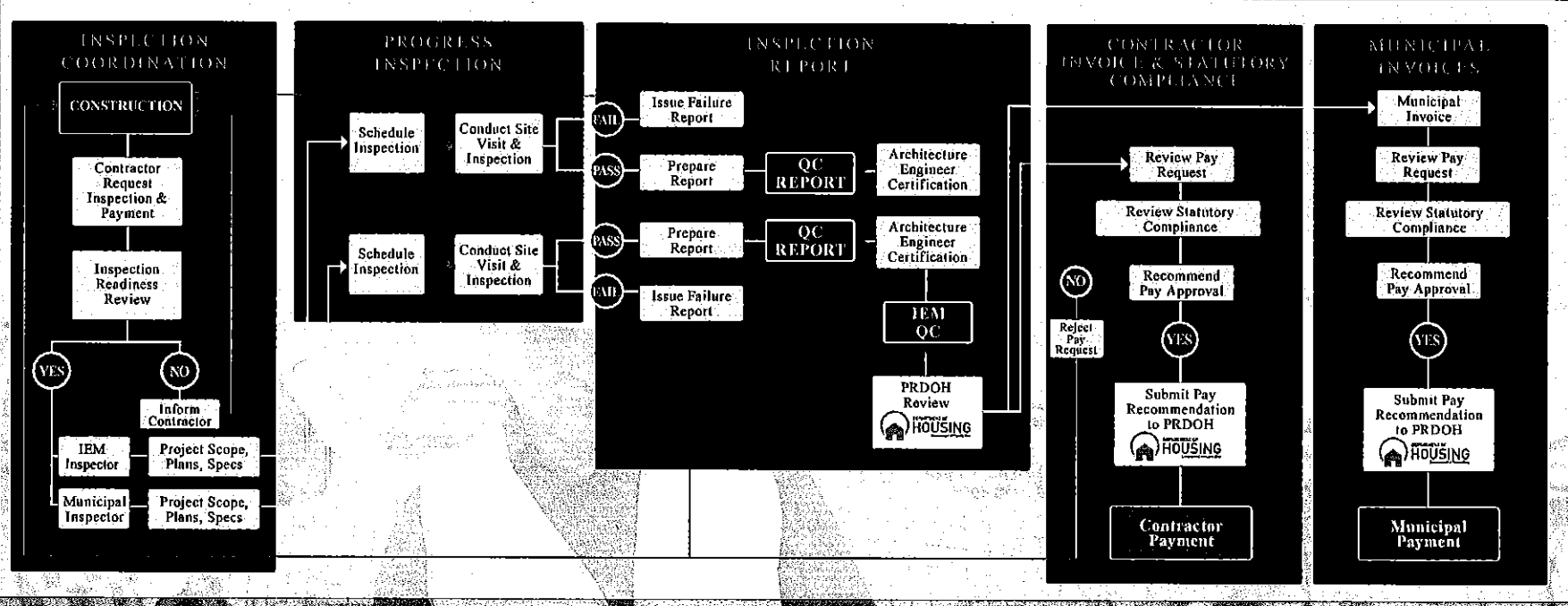
IEM's staff will carefully review the installation report and get awardee feedback on installation to decide if an inspection is warranted. If more information is needed, IEM's staff will work with the contractor and awardee to obtain it. If there is no clear indication that installation was successful, IEM will suggest inspection to PRDOH and communicate this to the contractor, awardee, and others.

For an inspection, IEM staff will create an inspection work order with supporting documentation, including scope of inspection, installation report, details of equipment installed, and relevant information on location, as well as a cover letter with reasons for inspection. IEM will be responsible for assigning inspectors, keeping awardees' and contractors' schedule in mind.

All inspections will be guided by a PRDOH-approved HER Inspection Checklist for inspectors, including items such as whether the right equipment was installed, equipment was installed according to manufacturer's guidelines, all required appurtenances were installed, right base to support equipment provided, and if the awardee was given the manufacturer's instruction manuals in their preferred language. The inspector will note if gas connectors were safely installed or if a solar water heater was installed to allow sufficient solar irradiation. Inspectors will discuss and note potential concerns by awardees and take photographs that provide evidence of their findings.



R3 PROGRESS INSPECTIONS & PAYMENT REQUESTS (IEM & MUNICIPALITIES)



QA / QC

Through our one-over-one review, IEM team members verify that environmental conditions have been identified and incorporated into all construction materials, all notices have been provided to homeowners, duplication of benefits assessments, escrow and subrogation agreements are completed.

We use both completeness and accuracy verification methods that include automated business process and checklist procedures to complete this work.

QC CHECK POINTS

DELIVERABLES

Workflow Maps and Standard Operating Procedures: Environmental Coordination and Condition Identification, Builder and Applicant Notification of Environmental Conditions, Duplication of Benefit Analyses (DOB), Escrow, Subrogation and Uniform Relocation Act (URA) workflows and standard operating procedures, Homeowner Process Map

Checklists: Environmental Conditions, Permitting, DOB, URA; Notifications: Green Building Standards, Elevation Requirements, Flood Insurance Requirements

Releases and Certifications: Verification of site safety

Reports: Environmental Conditions for Construction, DOB Calculation, Escrow Account Reconciliation and Balances, Subrogation Activity and Balances

TIMEFRAMES

Environmental coordination activities should average a 2-working day span to include the review of environmental reports, documentation of conditions, and quality control procedures.

Finalization of benefit determinations to submit to the PRDOH will average one week after all mitigation conditions have been identified and scoped.

Applicant coordination averages 1-4 hours depending upon the complexity of the scope, environmental conditions at the property, escrow, URA and subrogation requirements.

Progress inspections completed in 72 hours after construction contractor request.

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Inspectors will prepare an inspection report immediately after inspection. The report to PRDOH will include the HER Inspection Checklist, a clear indication of whether the equipment was successfully installed, and no issues remain, description of any problems identified, recommended actions to resolve issues identified, and photographic evidence collected.

If an inspection report renders the work was successfully completed, IEM's Finance Team will review the contractor's payment request for accuracy. With PRDOH approval, IEM will require an affidavit from contractors certifying that they bear all liabilities derived from the installation of equipment before payment can be processed. If the affidavit is obtained and payment request is deemed accurate, IEM's Finance Team will integrate the voucher returned by awardee, the liability affidavit from contractor, and all relevant reports to contractor's payment request. IEM will attach a cover letter providing a recommendation and basis for payment and provide it to PRDOH. IEM will also track and document all payments made to contractors.

QA/QC: IEM will ensure that inspection and payment requests are subject to a strict process of QA/QC. As a best practice, IEM segregates duties for financial control. The HER QA/QC team has responsibility and authority to order reviews and inspections. Only the Finance Team can recommend payments. We will train each team to perform their functions with diligence.

Guidance will be codified in SOPs available to all employees. The inspection process will have QC performed to ensure all documentation is appropriately reviewed before payment. The QC reviewer will directly communicate problems to the Project Manager.

The inspection and payment request process will be subject to unannounced audits to assure project procedures including QC review are followed always. Where a need for improvement is identified, the Project Manager will analyze the problem and develop a plan to improve processes. We will focus on simplifying reviews and inspections while maintaining high-quality standards. We will give Quarterly QA/QC reports with issues and actions to correct to PRDOH.

Timeframes: The timeframe to complete the inspection and payment request process for each awardee will depend on the schedule of awardees and contractors, and PRDOH's timeframe to process payments. IEM will complete all reviews, inspections, reports, and payment request packets in a timely manner. IEM will review installation reports and complete inspections within 15 calendar days and submit payment request packets within 10 calendar days of inspection.



Deliverables: IEM will provide the following deliverables: (1) HER Inspection Checklist. (2) Complete inspection reports documenting the reasons for inspection, results of inspection, any issues identified, all photographic evidence collected, and any recommended actions. (3) Complete payment request packets recommended for PRDO payment (for inspected and non-inspected installations). (4) Payment requests denied, and reasons for denial, and recommended corrective actions. (5) Quarterly QA/QC reports identifying issues in processes and steps taken to correct them. (4) Reports of progress through HER applications, projections on HER program completion.

2.10 Task 05(A): Repair, Reconstruction, Relocation (R3) Application Closeout

CDBG-DR grant closeout activities occur at three different levels, including the activity, applicant, and program levels. IEM begins every program and each project within that program with close-out in mind. In order for the CDBG-DR housing program to officially request close-out from HUD, each individual applicant file must be closed out to document that each activity met a National Objective and LMI requirements; funds were expended on eligible activities; program data is ready for DRGR reporting, and any special conditions have been met. R3 applicants that required housing counseling must have engaged in counseling, with evidence noted in their files. Further, monitoring findings and audits, if applicable, must be closed. Financial analyses and records documenting that all funds have been expended within the grant term must be complete. We also ensure that any deed restrictions or forgivable loans are recorded before closeout. All certifications, required checklists, and documentation must be completed and submitted.

It is our job to make sure that the program close-out occurs as efficiently and smoothly as possible. IEM will implement close-out procedures through QA/QC review at each step of the process for each program applicant, in order to ensure that applicant files are complete at the end. This process will facilitate a rapid review of the file at our Final Close-Out QC review. We will use data analytics to check exceptions to ensure that every file is **complete, compliant** and **audit-ready**. We will process final applicant files for final disposition through:

Level 1 Case Management Close-Out: We start with a good foundation. Our case manager for each applicant will ensure compliance with program, State, and Federal policies and guidelines. We verify that required permits (building, use, and/or environmental) were obtained by builders



and installers/suppliers and are closed, environmental activities were completed, and the applicant obtained flood insurance, if applicable. Our case manager establishes the accuracy of information updated in the electronic file, along with proper coding and execution of certifications, authorizations, and other program-submitted documentation.

Level 2 Close-Out QC Specialist Verification: Next, our close-out QC Specialist completes a full review of each applicant's file in the system of record for completeness and compliance.

QA/QC: IEM will perform an end-to-end file review to verify all documentation is present, complete, accurate and supports documentation of the file for compliance with national objective, income targets, geographic and demographic criteria, and program policy/standards. Our final closeout QA/QC includes a review of each required supporting task documentation (eligibility, environmental review, damage assessment, grant agreement, escrow, subrogation, construction, and financial compliance).

Deliverables: Workflow Maps and Standard Operating Procedures. Closeout review, file retention, and transfer workflows and standard operating procedures. **Checklists:** Closeout checklist. **Notifications:** Completion of project, closeout of grant. **Reports:** Closeout status report.

Timeframes: IEM will perform individual applicant file close-out on a rolling and continual basis as each applicant completes the program, with final QC performed within an average of two weeks after final site visit and final construction payment.

2.11 Task 05(B): Home Energy Resiliency (HER) Application Closeout

During the application closeout process, IEM's staff will document that all work has been completed as outlined in the original contract and work order and that all requirements have been met. IEM's staff will communicate with the awardee to make sure that no outstanding issues or concerns regarding the equipment or its installation remain. IEM's staff will also communicate with the assigned contractor to make sure that all payments for each specific task have been received.

The application will be successfully closed when no issues regarding the installation remain, and the contractor has been paid. IEM's staff will create a final report outlining each of the steps that were followed to complete the award and payment requests. We will verify that all information

collected during the application closeout process is in the integrated database which will be accessible by PRDOH at all times.

QA/QC: (1) IEM will designate personnel with the responsibility and authority to implement each of the steps required to close out each application successfully, and when the time comes, the program as well. Roles and authorities will be clearly defined. (2) Quality awareness seminars will be part of IEM's employee training program. Topics covered will include planning and procedures for successfully closing out applications. (3) IEM will maintain written guidance including procedures for every step required to successfully closeout. (4) Each step required to closeout applications will be assigned a quality control reviewer responsible for assuring that project processes are followed, and that all documentation is appropriately reviewed. The quality control reviewer will directly communicate problems to the Project Manager. (5) The processes to closeout applications will be subject to unannounced audits to assure project procedures including quality control review are followed at all times. (6) Where a need for improvement is identified, the Project Manager will analyze the problem and develop ways to improve the closeout application processes. Efforts to simplify processes and their review, while maintaining high-quality standards, will be ongoing. (7) Recommended quality improvement measures identified during the work process analysis will be communicated to all staff handling the processes to close out applications, and when the time comes, the program as well. Training seminars may be implemented if the changes warrant it, and (8) Quarterly quality assurance and quality control reports identifying issues in the application closeout processes and steps taken to correct them.

Deliverables: A final report for each application documenting that the work was successfully completed, and that the contractor was paid. If applicable, the report will identify remaining concerns or potential liability risks.

Timeframes: IEM will complete application and program closeout processes promptly. IEM aims to close applications within an average of 2 weeks after the contractors' payment request has been fulfilled.

Program Closeout: The time to close out the program will come after all awards have been successfully provided and all payment requests have been fulfilled. Consistent with 2 CFR 200 after the end of the full period of performance, IEM will in no later than 90 calendar days submit



all financial, performance, and other related reports as required by the terms and conditions of the CDBG-DR, liquidate all remaining obligations, refund any unobligated balances, settle any adjustments to the Federal share of costs, and account for all real and personal property acquired with CDBG-DR funds. During this stage, IEM will focus on demobilizing the company, employees, and equipment from operation sites, notifying all relevant parties of the conclusion of program operations through letters, releasing any borrowed or rented offices and equipment, and conducting budget reconciliation.

In accordance with 24 CFR 570.509 IEM will provide to PRDOH evidence that all costs paid with CDBG funds have been expended and drawn out, a final performance and expenditure report for all completed HER program activities, and evidence that all activities from the HER program have been completed and met the objective. IEM will provide full cooperation to HUD and PRDOH in the development and completion of closeout checklists, agreements, and any required audits.

IEM will ensure the activities regarding the application and program closeout processes are subject to a strict process of QA/QC. The company will designate trained personnel with the clear responsibility and authority to implement each step required to successfully close applications and, when the time comes, the program as well. All guidance will be codified in manuals available to all employees. Each step of the application and program closeout processes will be assigned a QC reviewer responsible for assuring that project processes are followed, and that all documentation is appropriately reviewed. The QC reviewer will directly communicate any problems to the Project Manager.

We subject our application and program closeout processes to unannounced audits to assure project procedures including QC review are followed at all times. Where a need for improvement is identified, the Project Manager will analyze the problem and develop a plan to improve application and program closeout processes. Efforts to simplify application closeout, while maintaining high-quality standards, will be ongoing. Quarterly QA/QC reports identifying issues and actions taken to correct them will be provided to PRDOH.

QA/QC: (1) A program closeout report documenting all relevant financial, performance, operations data, and (2) All documents and reports applicable to and required by 2 CFR 200 and 24 CFR 570.509.

Timeframes: IEM will complete program closeout processes promptly. IEM will complete activities for program closeout process in 90 calendar days as per appropriate laws and regulations, and perform the following close-out activities: (1) Demobilize company, employees, and equipment from operation sites, (2) Notify all parties of conclusion of the program, (3) Conduct budget reconciliation, (4) Prepare and submit all financial, performance, and related reports as required by applicable laws, regulations, policies, and directives, (5) Cooperate with the relevant authorities in development and completion of closeout checklists, agreements, and any required audits.

2.12 Task 06: R3 HQS Inspections

Relocation to higher opportunity areas should result in more resilient housing options for Hurricane-impacted citizens. IEM's staff, experienced in this type of relocation program, understand that the prospective homes must meet HUD Housing Quality Standards (HQS) and that it is the program's obligation to verify each property does so. HQS establishes minimum health and safety standards for housing that will be procured through the program.

IEM's HQS certified inspectors will schedule the inspection within a week of notification of the applicant's selection of a home and coordinate an environmental assessment of the home with the PRDOH's Environmental Consulting firm. We will coordinate with the PRDOH to establish the acceptable form and format for the inspection report understanding that HUD Form 52580 should be incorporated or adapted, as required by the agency.

Using the PRDOH-approved HUD HQS inspection checklist, our inspectors will assess units, common areas, and exteriors to check 13 key aspects of housing quality, performance requirements and acceptability criteria. IEM's HQS inspection will ascertain the selected property's compliance with HUD's prescribed standards. IEM's inspection report will include a copy of the completed onsite HQS inspection checklist and inspector's notes. IEM will submit each inspection report to our licensed professional engineers or architects in Puerto Rico for review and approval. Upon certification of the report, IEM will submit it to the PRDOH. IEM will also notify R3 applicants in writing, within five days of the inspection, as to the home's compliance with HQS and the inspector's findings. Should our inspector's findings indicate repairs are required to the unit to comply with HQS, IEM will further coordinate a damage assessment of the home. The damage assessment will determine the scope of the work necessary to bring the home into compliance with program standards.



QA: (1) PRDOH-approved HUD HQS Inspection Checklist (2) HQS Report Format, including HUD Form 52580 (3) Damage Assessment Checklist.

QC: (1) IEM QC of HQS report (2) Architect/Engineer certification of HQS Report.

Deliverables: (1) PRDOH-approved HUD HQS Inspection Checklist (2) HQS Report Format, including HUD Form 52580 (3) HQS Reports for selected homes, Environmental Review documents for home (4) Damage Assessment Report for home, if required.

Timeframes: IEM will schedule an HQS inspection within 72 hours of notification of applicant selection of a home.

3.0 Plan to Ensure Compliance with Federal, State, Local Laws, & Regulations [RFP 6.3.3]

We ensure compliance; mitigate fraud, waste, abuse; and, avoid disallowed costs, by implementing an internal compliance plan founded on a risk-based approach to conducting compliance activities and audits. We embed **preventive and detective controls** within each of our processes for monitoring and compliance activities especially for CDBG-DR housing programs with federal, state, and local laws and regulations.

We base our monitoring and compliance activities on HUD guidance and program and industry standards. In all there are more than 82 federal cross-cutting rules and regulations and more than 50 applicable HUD guidance documents. Other industry standard sources for compliance measures that we use and against which we monitor compliance include:

Super Circular, 2 CFR 200: The Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (related to procurement, costs and accountability).

24 CFR 570: CDBG rules on activities eligible for funding and national objectives to be met.

Federal Labor Standards Provisions: Federal labor standards are under Davis-Bacon, Copeland Anti-Kickback and Contract Work Hours and Safety Standards Acts.

Robert T. Stafford Act: The evaluation and non-allowance of DOB and maintenance of flood insurance for federal grant beneficiaries.

Accessibility: Housing accessibility is governed by several cross-cutting regulations including 24 CFR Part 8 (implementing Section 504 of the Rehabilitation Act of 1973 (29 USC Sec. 794)).



NFIP: The National Flood Insurance Program, run by FEMA, provides flood insurance to property owners, encourages communities to adopt, enforce floodplain management regulations.

National Environmental Policy Act (NEPA) 24 CFR Part 58 and other environmental regulatory requirements: The various statutes, executive orders, and regulations require evaluation of projects prior to commitment of funds and of mitigating measures in some cases.

Fair Housing Act: Housing programs must be conducted fairly (without no bias for race, color, religion, sex, disability, familial status or national origin). The suite of regulations includes, but not limited to Title VI of the Civil Rights Act of 1964; Title VII of the Civil Rights Act of 1968 (The Fair Housing Act); The Housing for Older Persons Act of 1995 (HOPA); The Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; The Americans with Disabilities Act of 1990 (ADA); The Equal Employment Opportunity Act; Section 3 of the Housing and Urban Development Act of 1968, as amended; and 24 CFR Part 85.

Privacy Act (5 U.S.C. 552a): This Act requires development of protocols and practices to ensure that all Personally Identifiable Information (PII) is collected and used in compliance with Act.

IEM's housing management team includes lawyers and policy experts' adept at knowing local, state, and federal law, agency guidance, HUD and OIG monitoring reports, and industry best practices. With each new disaster and grantees there have been changes in HUD guidance. IEM knows the changes in HUD rules and cross-cutting federal guidance, particularly the tightening of many of these requirements and increased reporting and accountability tracking. To ensure compliance, we develop and utilize standardized checklists for routine quality checks of each workflow component and the aggregated results of our quality checks reported in standardized formats. Many of our checklists use the CPD Monitoring Handbook 6509.2 checklists as foundation. Our results inform process and procedure strengthening measures.

IEM also uses compliance professionals whose duties are segregated from the rest of the project team. This means that our Compliance team reports directly to the Program Manager. We test compliance controls periodically and develop procedures for identifying, assessing, reporting, correcting and following up on incidents, breaches, and corrective actions.



4.0 Management of Complaints from Applicants or Parties Outside of Program [RFP 6.3.4]

Housing recovery programs can often result in frustration for homeowners, renters, the general public, and their elected representatives. CDBG-DR programs are even more prone to this – because they are the program for the last of the unmet needs. CDBG-DR programs also have many required regulatory activities and demands for documentation. Applicants can become especially frustrated because they have already been through numerous recovery programs – FEMA, SBA, STEP program, etc. prior to the availability of long-term housing funding. It is an industry maxim that one unhappy applicant may tell 28 others; while every happy applicant expresses their gratitude to five other people. The result is that unhappy stories gain greater spread.

We know that no matter how fast we are assisting individuals within this complex program framework that it is never fast enough for those on the receiving end of this funding. This often results in frustration with process and policy, but concerns, complaints and issues will also arise from program decisions that adversely affect a homeowner's eligibility, when there is a perception that their applications have stalled, or if there is difficulty with a construction contractor. Program applicants can feel that they are being treated unfairly.

HUD recognizes this and requires that each grantee develop complaints and appeals protocols. Requirements are outlined in the Federal Register Notice and additional support comes from 24 CFR 91 Citizen Participation Plan requirements and 24 CFR 570.486(a) (7). IEM provides a direct and unambiguous complaint lodging, escalation and resolution protocol. In our experience, most complaints can be resolved the same day they are received, or at least within 48 hours.

IEM has defined the standard for assisting applicants and other stakeholders to minimize complaints. For the Restore Louisiana program, IEM has 371 complaints from a total of 51,895 respondents.



The screenshot shows an email client window. The top menu bar includes File, Message, Insert, Format, Tools, View, Window, and Help. Below the menu is a toolbar with icons for Copy, Paste, Bold, Italic, Underline, Text Color, Background Color, Bulleted List, Numbered List, Indent, Outdent, Link, Unlink, Address Book, Attach, Attach Signature, and Attach File. The email header shows the 'To' field with 'LaKoria' and the 'Subject' field with '156494 Cheryl'. The body of the email contains the text: 'Happy New Year!!!!', 'Thank you for all your help in processing my application, you returned text/calls in a timely manner, answered all my questions. Ms. LaKoria you were super to work with if more people in this world was as helpful and patient as you my would it be a better place.', and 'May God continue to bless you.' The email is signed 'Thx, Ms Cheryl'.

File Message Insert Format Tools View Window Help

Copy Paste Bold Italic Underline Text Color Background Color Bulleted List Numbered List Indent Outdent Link Unlink Address Book Attach Attach Signature Attach File

To: LaKoria

Subject: 156494 Cheryl

Happy New Year!!!!

Thank you for all your help in processing my application, you returned text/calls in a timely manner, answered all my questions. Ms. LaKoria you were super to work with if more people in this world was as helpful and patient as you my would it be a better place.

May God continue to bless you.

Thx,
Ms Cheryl

Beverly + Lloyd

These are some of the many messages applicants have sent to IEM case workers. IEM trains case workers to understand survivors' pain and to emphasize with it. Case workers are advocates and guides for the applicant throughout the process. They become the ambassadors of the recovery program for the applicant. We always recruit the case workers from the communities we are helping in recovery. And so will our approach be in Puerto Rico – neighbors helping neighbors in Puerto Rico.

IT IS GOOD LORD

THANKS TO GIVE THANKS

GIVE THANKS TO THE LORD


PSALM 92:1
IT IS GOOD
THA

PSALM 92:2
IT IS GOOD

Michelle

I cannot find the words
to tell you how much I
appreciate what you have done
for me, behalf to get the home
so. I feel granted in my behalf.
You have truly been one of the
brightest lights in my life,
during the journey from the 20th
floor. The kindness and compassion
that I experienced at your hands
during working and 1990, 2000
and 1995, 1996, 1997, 1998, 1999, 2000
and 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2

Because of you,
 Here's someone who
 is thanking God today,
 Someone who appreciates
 your warm and caring way,
 Someone who's remembering
 the special things you do
 And wishing you His blessing
 every day
 the whole year through.



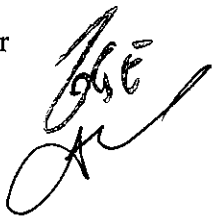
Preventing Complaints: We accomplish this through a proactive, sustained process to first **prevent** complaints. IEM will use its unique and innovative approach to preventing applicant complaints. Like Amazon, we communicate at set points in the workflow – informing the applicant on the status of their application. This communication is scripted, allowing us to have clear, consistent communications across tens of thousands of applicants. We assign a single case worker to each homeowner, preferably for the duration of the program. This allows applicants to bond with the case worker, while allowing the case worker to become their advocate and guide through the program (see **Diagram on page 42** for examples of letters, cards, and emails sent by applicants to our case workers).

Information on Filing Complaints: IEM will support the dissemination of information on how to file a complaint through program channels that may include written complaints turned in locally at an intake center, through the website, or by calling the call center. Our SOPs account for the full range of potential sources of complaints, concerns or issues. We encourage the PRDOH to include this information on or with all program printed material, as a best practice.

Informal complaints that are brought forward verbally will be addressed where possible, no matter the source. We make certain the complainant is aware of the formal complaint process and/or we address the complaint verbally. On an informal Complaint IEM staff will:

- Obtain all pertinent information, including the issue raised, name of the complainant and a contact for further information, if necessary. If no name or contact number is left, this will be noted and placed in an informal complaint file—either electronic or hard copy.
- Program staff will review these complaints at least monthly to determine if there is a pattern developing and, if so, determine if the issue warrants a policy change, staff change or further training.

Formal Complaints: Formal complaints are any written statement of grievance—including e-mails, faxes or letters that provide a contact with whom program staff can communicate the results of an investigation. Every formal complaint will be included in a complaint tracking system and maintained as either an electronic or hard copy file. The complaint tracking system will include the name of the complainant and a contact address; the date the complaint was received; a description of the complaint and the name of any person contacted to resolve the complaint or to gather information to resolve the complaint; a summary of the results and the



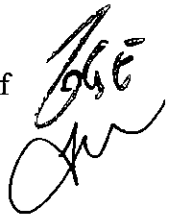
date of the response to the complainant; and, an explanation of the reason the file was closed if the file was closed.

Once the Complaint is in the tracking system program staff will assign a control number to the complaint; review and/or investigate the complaint; obtain coordination from additional program staff or escalate the complaint as necessary; provide a copy of the final result the complainant, along with a copy of any relevant policies and procedures relating to the investigation; then close the complaint.

As a key component of the management of program operations to the benefit and satisfaction of the PRDOH, we will provide and implement a complete complaint escalation and resolution plan including our formal complaint and appeals process. Our protocols will address several critical aspects of a productive escalation system:

- Ensuring individual complaints or issues are received, logged, and escalated within 24 hours of receipt, and that the issue is resolved quickly.
- Engaging in root-cause analysis to assess any policy, training, or resourcing changes that may be indicated, as well as finding patterns that require process or managerial level changes.
- Providing both fraud- and complaint-reporting mechanisms to homeowners. Reinforce through multiple channels (hand-outs, flyers, online, and in public outreach campaigns).
- Reporting complaints and their resolution, as well as patterns identified, to the PRDOH.
- Issue resolution at the earliest possible stage, but not later than 15 days after the initial complaint is received.

Constituent Services: Often, applicants approach elected officials with their complaints. IEM will set up a Constituent Services unit to handle fair, timely and transparent resolution of issues, concerns, or complaints that may be raised by elected officials and their representatives on behalf of one or more applicants. Our team investigates each concern, issue and complaint to understand the root cause, documents it, and rapidly implements a plan of action to resolve it. IEM Constituent Services staff members query relevant task managers such as eligibility, DOB, damage assessment or inspections to rely upon the technical expertise of these teams when investigating each claim. We document the resolution, and provide a fair, accurate and timely



response. Our goal is always to sensitively resolve complaints using equitable evaluation practices to achieve sound results. IEM treats each complainant with dignity and respect.

Fair Housing Complaints: Persons alleging a violation of fair housing laws will be referred to a Fair Housing Specialist to file a complaint. IEM will retain a log and record of all fair housing inquiries, allegations, complaints and referrals to PRDOH for HUD reporting. We will immediately escalate these complaints and their resolution information to PRDOH.



5.0 Anticipated Problems of Major Tasks and Proposed Courses of Action to Resolve [RFP 6.3.5]

The IEM Team has the CDBG-DR experience both to recognize common challenges and a toolbox of approaches to solve them as seen in the chart below.

	Potential Challenge	Proposed Solution
Coordination: Managing Requirements Across All Stakeholders	Getting buy-in and managing conflicting requirements from various stakeholders can lead to misunderstanding of program goals and timeframes.	<ul style="list-style-type: none"> Define goals, develop shared program vision at outset. Empower staff decision-making.
	Frequent policy change impacting process flow and task implementation can lead to stalled projects and homeowner frustration.	<ul style="list-style-type: none"> Establish policies/procedures before application intake. Maintain document management system that reliably places indexed, accurate, and up-to-date materials at the fingertips of all staff and sub-recipient personnel.
	Poor communication and expectation management can lead to beneficiary frustration, complaint, and negative program perception.	<ul style="list-style-type: none"> Cross-train personnel to provide the most accurate and consistent information possible. Maintain a single POC for beneficiaries related to their eligibility and construction work plan.
	Lost calls, frustration for homeowners, and negative public perceptions.	<ul style="list-style-type: none"> Adaptively manage staffing levels based on daily statistical reports, matching resources to load.
Data and Systems	Multiple data hand-offs can result in delay and non-compliance, or file corruption.	<ul style="list-style-type: none"> Standardize processes for data capture and transfer. Perform system and data transfer quality checks.
Staffing	Active recent disasters have spread disaster recovery and construction resources thin.	<ul style="list-style-type: none"> Hire locally and offer competitive compensation.
	Loss of institutional knowledge of program evolution can result in delay and setbacks.	<ul style="list-style-type: none"> Commit resources for the life of the program.
Non-Compliance	Non-compliance with HUD rules and regulations, cross-cutting federal requirements, and program policy can result in findings and potential claw-back of federal funds.	<ul style="list-style-type: none"> IEM's experience in CDBG-DR program design and implementation is significant for PRDOH's HUD compliance.
	Non-compliance in construction to local requirements, elevation, and mitigation can stall or stop homeowner projects.	<ul style="list-style-type: none"> Coordinate closely with local building departments to facilitate the movement of permitting and inspection.
Outreach and Intake; Participation	Constituents fail to apply for program benefits or, conversely, the program may be over-subscribed.	<ul style="list-style-type: none"> Coordinate with PRDOH outreach contractor to saturate traditional and non-traditional outlets with program messaging while targeting most impacted and vulnerable populations.
	Owner inaction on construction projects may result in removal from program and potential need to recapture funding.	<ul style="list-style-type: none"> Provide construction oversight and management services. Facilitate resolution to barriers or challenges. Educate owners on impacts of program choices.
Construction Management	Exceeding project timeframe costs the program money.	<ul style="list-style-type: none"> Conduct concurrent activities, where possible, and compress delivery schedules when necessary.
	Projects will run into unforeseen construction obstacles, resulting in delay and the need for change orders.	<ul style="list-style-type: none"> Work with each builder to thoroughly review the project plan and update or revise as necessary.
Relocation	Applicants may become frustrated as time and funding constraints limit choices.	<ul style="list-style-type: none"> Continue to list available options for homes. Work to shorten timeframes/set milestones for home selection, HQS inspections, environmental reviews, damage assessments.

6.0 Specific Examples of Past Deliverables [RFP 6.3.6]

IEM has provided examples of our deliverables as an Appendix, per the answers to questions.

7.0 Engagement of Local Participants, MBE, WBE, and Section 3 Residents [RFP 6.3.7]

Maximizing Use of Local Subcontractors and Key Personnel: The IEM Team has selected as subcontractors the best of Puerto Rico's companies with expertise in activities covered in this RFP. This includes the following companies: Bright Clients, CIRO Energy Group, Computer Inn, Consumer Credit Counseling Services, First Bank, Insight Communications, LLM&D, PSC, MM Consulting Services, Title Security Group, UNIPRO, and Visual Language Services.

After contract award and assignment of region(s), we will reach out to other local companies and incorporate them as feasible into our team. IEM is committed to using local talent and local companies in the full physical, social and economic recovery of Puerto Rico.

A number of our key personnel are local Puerto Rico professionals, including:

- Operations Manager (1)
- Complaints Coordinator (1)
- Public Relations Coordinator (1)
- Community Coordinators (2)
- Safety Officers (2)
- Special Inspectors (at least 1)

We will have eight of the 12 key positions from Puerto Rico.

Maximizing Participation of Minority and Women Owned Business Enterprises (MBE/WBE)

and Employment of Minority Group Members: IEM's subcontractors include a number of companies that either are certified as MBE or WBE or are in the process of obtaining such designation. The chart below shows the status of our team's WBE and MBE composition:

Name of Company	MBE	WBE	Comments
Bright Clients		✓	In process
Computer Inn	✓		
Consumer Credit Counseling Services	✓		



Insight Communications		✓	
MM Consulting Services	✓		
Title Security Group	✓		
UNIPRO	✓		
Visual Language Communications	✓		

After contract award and designation of region(s), IEM will reach out to additional local MBEs and WBEs to gauge their ability to participate on this project as subcontractors. Subcontractors closest to project sites often offer the best options due to their proximity, local knowledge and cost-effective solutions. We are committed to establishing meaningful contractual partnerships with local WBE and MBE entities. Our Team will also facilitate partnering opportunities between local MBE and WBE tradespersons and companies to the program construction contractors so that the smaller, disadvantaged subcontractors have an opportunity to participate in the recovery programs.

IEM uses a three-prong approach to the development of local MBE and WBE participation for our subcontractors and suppliers.

Actively Encourage Local MBE and WBE Entities' Interest and Participation:

- Contact businesses directly to generate interest and record/review responses to determine levels of involvement
- Publish public notices / solicitations and make personal contact to ensure local MWBE businesses have the maximum opportunity for participation
- Hold publicized local subcontractor fairs to encourage businesses to meet our staff and discuss projects
- Ensure that our purchasing and contracting staff maximize local MWBE entity participation

Actively Develop Local/LMI/DBE Opportunities:

- Identify target capability areas for each project
- Develop a list of local/LMI/DBE firms to solicit firms in addition to those already in our subcontractor database

Loge
AK

- Maximize use of agencies and associations (e.g., Chambers of Commerce, DBE associations) for solicitations


Provide Feedback to Help Local/LMI/DBE Firms Improve:

- Provide feedback to firms by taking the time to meet with those firms to improve better business practices by meeting with subcontractors and suppliers, including: proposal review and bid analysis; assisting to identify areas of improvement; personnel networking; outlook for future opportunities; and risk management analysis.

Maximizing Use of Section 3, Low-Income and Very Low-Income Residents: Puerto Rico thrives when it has a strong and resilient community. IEM is committed to hiring local residents who are low income as well as very low income (by HUD standards). Our Section 3 Coordinator will work with all of our subcontractors to prioritize the hiring of qualified local applicants to both provide economic stability to residents, and to meet or exceed our Section 3 hiring goals. We understand that hiring locally will allow us to hire and train local residents who understand the magnitude of the twin disasters and want the chance to help their friends and neighbors.

IEM will use a comprehensive strategic recruiting plan that maximizes our outreach to the local and LMI labor forces. Our Section 3 outreach focuses on:

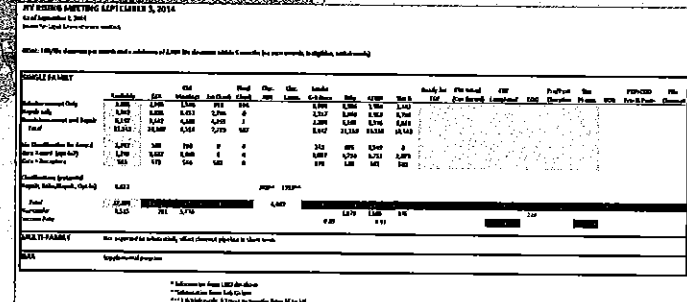
- Residents of Public Housing/Housing Choice Voucher Program, including persons with disabilities
- Individuals that reside in Puerto Rico and whose income does not exceed the local HUD income limits set forth for low or very low income households
- Participants in the Youthbuild programs (if applicable)
- Homeless persons, as defined under the McKinney Act (42 U.S.C 11301 *et seq.*).



Examples of Past Deliverables (Item 6.3.6 of the RFP)

IEM has provided examples of our past deliverables on the following pages.

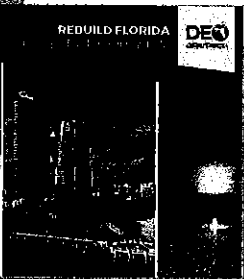
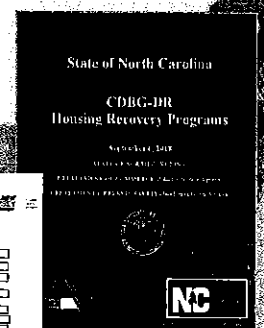
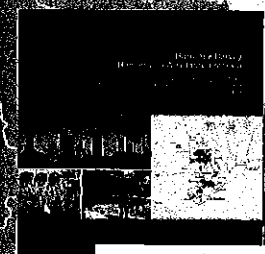
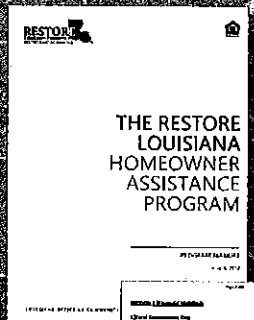
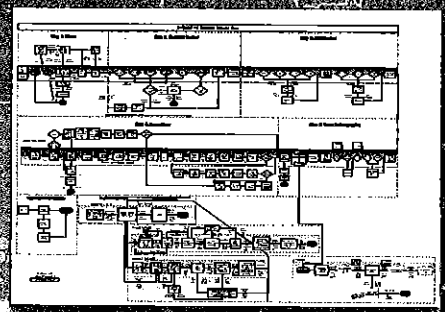
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We have selected a small sample of deliverables from our experience with managing many CDBG-DR housing programs across the nation. We have developed many HUD-compliant deliverable for CDBG-DR funded housing programs. We also understand that the precise format of PRDOH deliverables will be custom-tailored to their needs and to the Puerto Rico program environment.

[Signature]

PROGRAM POLICY AND RECORDS



SECTION 1: General Information

Client Information:

- 1. Client Name: _____
- 2. Client Address: _____
- 3. Client Phone: _____
- 4. Client Email: _____
- 5. Client Date of Birth: _____
- 6. Client Date of Arrival: _____
- 7. Client Date of Departure: _____
- 8. Client Date of Return: _____
- 9. Client Date of Exit: _____
- 10. Client Date of Re-entry: _____
- 11. Client Date of Re-entry: _____
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- 19. Client Date of Re-entry: _____
- 20. Client Date of Re-entry: _____

SECTION 2: Program Information

Program Name: _____

Program Description: _____

Program Objectives: _____

Program Results: _____

Program Evaluation: _____

Program Impact: _____

Program Sustainability: _____

Program Scalability: _____

Program Replicability: _____

Program Transferability: _____

Program Adaptability: _____

Program Flexibility: _____

Program Innovation: _____

Program Creativity: _____

Program Risk: _____

Program Mitigation: _____

Program Monitoring: _____

Program Reporting: _____

Program Accountability: _____

Program Transparency: _____

Program Integrity: _____

Program Honesty: _____

Program Trust: _____

Program Respect: _____

Program Dignity: _____

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Program Empathy: _____

Program Understanding: _____

Program Tolerance: _____

Program Patience: _____

Program Kindness: _____

Program Gentleness: _____

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Program Meekness: _____

Program Modesty: _____

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Program Simplicity: _____

Program Plainness: _____

Program Frugality: _____

Program Thriftiness: _____

Program Economy: _____

Program Efficiency: _____

Program Effectiveness: _____

Program Productivity: _____

Program Performance: _____

Program Quality: _____

Program Excellence: _____

Program Superiority: _____

Program Preeminence: _____

Program Prominence: _____

Program Distinction: _____

Program Uniqueness: _____

Program Originality: _____

Program Novelty: _____

Program Innovation: _____

Program Creativity: _____

Program Risk: _____

Program Mitigation: _____

Program Monitoring: _____

Program Reporting: _____

Program Accountability: _____

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Program Economy: _____

Program Efficiency: _____

Program Effectiveness: _____

Program Productivity: _____

Program Performance: _____

Program Quality: _____

Program Excellence: _____

Program Superiority: _____

Program Preeminence: _____

Program Prominence: _____

Program Distinction: _____

Program Uniqueness: _____

Program Originality: _____

Program Novelty: _____

SECTION 3: Financial Information

Financial Information:

- 1. Financial Name: _____
- 2. Financial Address: _____
- 3. Financial Phone: _____
- 4. Financial Email: _____
- 5. Financial Date of Birth: _____
- 6. Financial Date of Arrival: _____
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SECTION 4: Program Information

Program Name: _____

Program Description: _____

Program Objectives: _____

Program Results: _____

Program Evaluation: _____

Program Impact: _____

Program Sustainability: _____

Program Scalability: _____

Program Replicability: _____

Program Transferability: _____

Program Adaptability: _____

Program Flexibility: _____

Program Innovation: _____

Program Creativity: _____

Program Risk: _____

Program Mitigation: _____

Program Monitoring: _____

Program Reporting: _____

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Program Transparency: _____

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Program Productivity: _____

Program Performance: _____

Program Quality: _____

Program Excellence: _____

Program Superiority: _____

Program Preeminence: _____

Program Prominence: _____

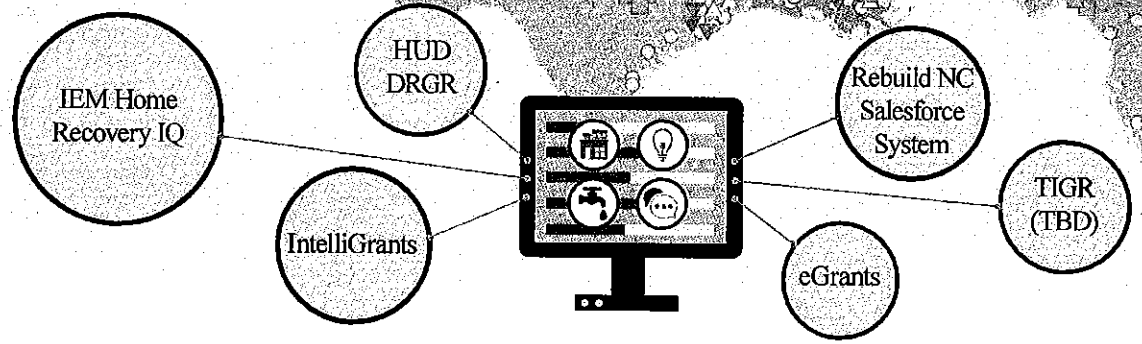
Program Distinction: _____

Program Uniqueness: _____

Program Originality: _____

Program Novelty: _____

SYSTEM OF RECORD DATA ENTRY



Handwritten signature or initials.

1. The first step in the process is to identify the problem. This involves gathering information about the situation and the people involved.

THE UNIVERSITY OF CHICAGO



Architect: Skidmore, Merrill & Partners
 Location: Atlanta, Georgia
 Year: 1996
 Program: 60,000 seats, 100,000 sq ft
 Materials: Steel, concrete, glass

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GENERAL PROGRAM COMPLAINTS

SOLUTION 1: CONSIDERATION OF AVERAGE

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to attend a meeting about the pipeline
about had to be there and my husband
disappeared for

CONSTRUCTION BREVIARIES

For more details please visit <http://www.oxfordjournals.org>

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
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1. The following information was obtained from the records of the Department of the Interior, Bureau of Land Management, regarding the land owned by the United States in the State of Nevada:

[illegible]

Plan for Compliance with Section 3 (Item 6.3.7 of the RFP)

IEM has provided our Plan for Compliance with Section 3 on the following pages.

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Section 3 Plan

**Puerto Rico Department of Housing
Community Development Block Grant –
Disaster Recovery Program**

November 11, 2018

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Section 3 Plan

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Section 3 Plan

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Purpose

This document serves as the Section 3 Plan for the Government of Puerto Rico Department of Housing's CDBG-DR Program, in compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12. U.S.C. 1701u) (Section 3).

The Government of Puerto Rico Department of Housing (PRDOH) is a recipient of U.S. Department of Housing and Urban Development (HUD) funding for execution of the Program. Innovative Emergency Management, Inc. (IEM), as the prime contractor for the PRDOH, and its subcontractor team are committed to comply with the Section 3 requirements and to strive to meet or exceed the goals outlined in Section 3.

Introduction

The purpose of Section 3 is to ensure that training, employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, and Local laws and regulations, be directed to the greatest extent possible to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns, which provide economic opportunities to low- and very low-income persons.

IEM's minimum goals are:

- Thirty percent of the aggregate number of new hires in a fiscal year will be Section 3 residents¹
- Ten percent of the total dollar amount of all contracts involving public construction will be to Section 3 business concerns²
- Three percent of the total dollar amount of all other contracts for professional services (non-construction) will be to Section 3 business concerns.

The types of economic opportunities available under Section 3 applicable to PRDOH's CDBG-DR Program execution include:

- Employment opportunities for Section 3 residents
- Training and educational opportunities for Section 3 residents
- Contracts and business opportunities.

The designated responsible parties for the execution of this Section 3 Plan are:

- Nora Duran, who oversees implementation of the PRDOH's CDBG-DR Program Section 3 Plan and serves as the PRDOH's CDBG-DR Program HR & Section 3 Plan Coordinator

¹ Section 3 residents are defined as public housing residents or persons who live in the area where a HUD-assisted project is located and who have a household income that falls below HUD's income limits. Low income is defined as 80% or below the median income of that area. Very low income is defined as 50% or below the median income of that area.

² A Section 3 business concern is defined as a business that is 51 percent or more owned by Section 3 residents; employs Section 3 residents for at least 30 percent of its full-time, permanent staff; or provides evidence of a commitment to subcontract to Section 3 business concerns, 25 percent or more of the dollar amount of the awarded contract.



Section 3 Plan

- Jill DiLorenzo and Abrille Dixon, who serve as the PRDOH's CDBG-DR Program Training Leads
- Jeannine Williams, who serves as the PRDOH's CDBG-DR Program Section 3 Business Coordinator through her MWBE and Subcontracting roles

IEM's Section 3 plan includes key best practices identified by HUD for such plans, including a:

- Designation of a Section 3 Coordinator
- Process for the monitoring and compliance enforcement among subcontractors
- Compliance reporting plan to the PRDOH
- Commitment to the inclusion of the Section 3 clause in all subcontracts issued to IEM team members
- Employment opportunity notification (outreach) plan for Section 3 residents (outreach)
- Collaboration plan with local resources to further assist in the identification of and outreach to potential Section 3 employment candidates.

Coordination, Monitoring, and Compliance

IEM's appointed Section 3 Coordinator verifies compliance and performs monitoring of all Section 3 activities by the IEM team. The Section 3 Coordinator also supports PRDOH with submission of HUD-required Section 3 reporting metrics and forms.

The Section 3 Coordinator takes the following steps to promote compliance:

- Verifies with Sub-Contracting Monitor the inclusion of the Section 3 clause in all contracts with Sub-Contractors (Appendix D: Section 3 Subcontract Provisions).
- Work with the PRDOH's CDBG-DR Program Training Lead to develop training modules for delivery over training webinars for sub-contractor vendor's HR departments to learn about the reporting requirements for Section 3 hiring activities and how to complete and submit forms to IEM HR department.
- Conducts outreach to and recruits Section 3 business concerns, residents in receipt of public housing assistance and Section 3 residents through other identified local community action agency resources
- Encourages the training Section 3 residents through the PRDOH's CDBG-DR Program Training Lead and subcontractor employers
- Uses the services made available by the Puerto Rico Unemployment Department to conduct outreach to and recruit Section 3 residents
- Implements procedures to notify Section 3 individuals about training and employment opportunities
- Monitors, evaluates, and documents the effectiveness of actions taken to get Section 3 residents into the employment pipeline
- Distributes the applicable forms to all relevant sub-contractors and requires the returned completed forms with summary tables to be submitted per the quarterly reporting schedule
- Submits Section 3 summary reports to the PRDOH quarterly



Section 3 Plan

- Compiles the quarterly reports into one annual report to be provided to the Government of Puerto Rico Department of Housing to support the Annual Section 3 Report it provides to HUD for Section 3 hiring activities associated with the PRDOH's CDBG-DR Program
- Makes recommendations on adjustments to achieve Section 3 employment goals

Reporting and Training

Reporting

The type and schedule for Section 3 reports is to be established by the PRDOH and coordinated by the Section 3 Coordinator. At a minimum, these reports document the progress and activities in meeting the numerical goals and are in addition to Part I-III of the HUD-60002 form and supporting documentation.³ Section 3 reports document the activities of IEM and each subcontractor in achieving the percentage goals for employment. These reports include Section 3 activities, successes, and impediments for all members of the IEM team. In the event of non-compliance, these reports provide proof that Section 3 compliance was attempted but not achieved and the activities the IEM team undertook to achieve compliance. The following are samples of the types of applicable supporting documentation:

- Reporting summary with metrics of the strategies employed (Please refer to Appendix C: CDBG-DR Section 3 Contractor Reporting Form)
- A narrative that ties in all good faith effort components to include a discussion of recruiting and training activities, accomplishments and challenges
- Copies of the appropriate eligibility forms for individuals and businesses
- Section 3 Clause for contracts in excess of \$100,000

On a quarterly basis, the Section 3 Coordinator will obtain reports from each subcontractor reports from the compilation and tabulation of forms completed by employees, contractors, and sub-contractors, and Section 3 businesses. The following forms will be distributed by the Section 3 Coordinator to Sub-Contractors

- Section 3 Employee Self Certification Form. This form will be distributed to all employees and to all sub-contractors to distribute to its employees for completion. (See Appendix B: Employee Self Certification Form)
- CDBG-DR Section 3 Business Certificate Form will be distributed to those sub-contractors who may qualify as a Section 3 Business Entity by being a business owned (51% or more) by residents of public housing developments, a business owned (51% or more) by individuals whose household incomes meet the Section 3 Income Limits identified for the respective affected county and can be found at <https://www.huduser.gov/portal/dataset/il.html>. (Appendix D: Section 3 Subcontract Provisions)
- Section 3 Contractor Reporting Form. This form must be completed by all sub-contractors whose contract amount exceeds \$100,000, even if the firm is not a Section 3 Business. (Appendix C: CDBG-DR Section 3 Contractor Reporting Form)

³ https://www.hud.gov/offices/fheo/section3/rev_60002_final.pdf



Training

The IEM team provides employed Section 3 residents with applicable training and/or educational opportunities. These in-depth training sessions, coupled with ongoing performance advising, provide the employee with valuable skill development beneficial to them for the long-term. The PRDOH's CDBG-DR Program Training Lead has developed a comprehensive start-up training program for new hires. She also works in collaboration with the Section 3 Coordinator to develop and offer ongoing training opportunities for staff. When possible, IEM's project team employees are permitted to take advantage of local community training events and opportunities.

Subcontractor Compliance

IEM incorporates Section 3 requirements in all procurements generated for use with HUD funding. Our procurement policy contains goal requirements for awarding contracts to Section 3 Business Concerns. All businesses seeking Section 3 preference must, before submitting bids/proposals to IEM, provide complete certifications, as appropriate, as acknowledgement of the required Section 3 contracting and employment provisions. Such certifications shall be adequately supported with appropriate documentation.

The IEM recruiting team leads the centralized outreach campaign that flows down resources to our subcontractors to ensure all meet their Section 3 and local hiring goals. These partners are also committed to employ locally, with a particular focus on Low to Moderate Income job seekers. Our teammates expand and extend the outreach and local network of the IEM Team to maximize our access to the most qualified people.

The Section 3 Business Coordinator, is IEM's point person who manages and advocates for functions and staff positions that additional Section 3 Business Enterprise firms may fill for the PRDOH's CDBG-DR Program. The Section 3 Business Coordinator works with the Section 3 HR Coordinator to help identify and place those personnel. The Section 3 Business Coordinator supports tracking and reporting for the important Section 3 contributions, with a mission to continue to increase Section 3 support for the program.

All subcontractors on the IEM team for this project are required to comply with IEM's Section 3 Plan. This requirement is part of each subcontractor agreement, which requires subcontractors to acknowledge that they have read this plan and agree to comply with it and to report progress toward the IEM team's Section 3 goals on a quarterly, annual, and as requested basis. The quarterly and annual reports document the efforts and successes of each IEM team subcontractor in reaching the percentage goals for employment established in these policies.

The Section 3 Coordinator monitors and evaluates each subcontractor's compliance with Section 3 requirements and obligations. In the event of non-compliance, the subcontractor will be required to provide, in writing, proof that Section 3 compliance was attempted but not achieved, and IEM undertakes efforts to help the subcontractor achieve compliance. If deliberate cases of non-compliance are discovered, the subcontractor will be given 30 days to achieve compliance, or corrective actions will be taken, to include removal of the subcontractor from the IEM team.

A handwritten signature in black ink, appearing to be 'JGE' followed by a stylized flourish.

Outreach to and Employment of Section 3 Residents

As the prime contractor, IEM strives to exceed a 30% new hire demographic of Section 3 residents, whether hired by IEM or a subcontractor on the IEM team. Outreach focuses on:

- Residents of the Public Housing/Housing Choice Voucher Program, including persons with disabilities
- Individuals that reside in Puerto Rico (where HUD funds for disaster housing recovery are being expended) and whose income does not exceed the local HUD income limits set forth for low or very low income households⁴
- Participants in the Youthbuild programs (if applicable)
- Homeless persons, as defined under the McKinney Act (42 U.S.C 11301 *et seq.*).

To meet the IEM Team's Section 3 employment, training and contracting goals, IEM and its subcontractors conduct specific outreach activities targeted to Section 3 residents. Outreach activities are designed to educate Section 3 eligible residents about the Section 3 employment opportunities and encourage them to apply for available positions.

IEM's PRDOH's CDBG-DR Program Section 3 Coordinator oversees the recruiting efforts of both IEM and subcontractors. Job applications and websites for job postings clearly indicate that the position is "A Section 3 eligible job opportunity."

The PRDOH's CDBG-DR Program Section 3 Coordinator initiates the good faith efforts, which are a series of recruiting activities designed to maximize the dispersion of employment opportunity information to Section 3 resident applicants to the greatest extent feasible.

Outreach Action 1: Work with the PRDOH to identify a pool of resources (i.e., individuals and businesses).

Outreach Action 2: Post job openings in partnership with the Puerto Rico Unemployment Department

Outreach Action 3: Post notices containing employment information and where to obtain additional details, in and around public housing, including neighborhoods, community organizations, public and private institutions in the area.

Outreach Action 4: Conduct and/or attend local job fairs.

Outreach Action 5: Advertise job opportunities in local community newspapers and job boards in the affected areas, such as the San Juan Star and Primera Hora.

Outreach Action 6: Advertise employment opportunities on the job boards of local colleges and universities, such as Universidad Del Turabo and University of Puerto Rico-Rio Piedras.

Outreach Action 7: Advertise employment opportunities on online job sites, such as Indeed, Glassdoor and Career Builder.

Outreach Action 8: Capitalize on the community word-of-mouth by circulating job postings on social media: Facebook; LinkedIn; Twitter.

⁴U.S. Department of Housing and Urban Development income limits for the affected areas can be found at https://www.huduser.gov/portal/datasets/il/il2016/select_geography.odn.

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The Section 3 Coordinator provides oversight to ongoing outreach, identification, and certification of the Section 3 eligible community. She monitors how successful the IEM project team is at getting Section 3 residents into the employment pipeline for the project and recommends adjustments to achieve Section 3 employment goals.

Certification of Section 3 Residents

According to HUD, Self-Certification is an acceptable means of establishing eligibility as a Section 3 resident. Through the outreach effort, Section 3 residents are encouraged to self-identify. Then, new hires are also surveyed regarding their eligibility. IEM ensures that each Section 3 resident employed has completed the Self-Certification Form (Appendix B). The Section 3 Coordinator reviews this documentation for all Section 3 residents hired by IEM or its subcontractors.

Recruiting & Hiring Practices

To maintain a capable and stable workforce, IEM will leverage a streamlined staffing process that relies on a structured process to define, identify, interview, screen, hire, and retain staff.

- **Define:** IEM's Program Director will work with the PRDOH Program Manager to define any specific position requirements, as well as the number of openings and timeframe for onboarding to the program, in order to meet Program goals and metrics. The IEM Program Director will then inform the IEM coordinator of the position types, and quantity and designate which company on the IEM team is to receive the positions, based on subcontracting agreements and company expertise.
- **Identify:** The employing company selects either an existing employee for assignment to the Program or reviews a database of resumes of pre-screened candidates, based on their outreach efforts, that could be hired to support demands.
- **Interview:** The employing companies first conducts phone interviews to gather availability, salary, and other key data to determine if a candidate should move along the interview process. Next, each candidate is interviewed onsite to further assess level of relevant knowledge and skill.
- **Screen:** Then, the employing company submits their chosen candidate(s) resume(s) for the position(s) to the IEM coordinator, who then reviews the resume to verify the candidate possesses the qualifications to satisfy the requirements for the position. Once the coordinator has approved the candidate, the employing company completes a background check process, per the company's standard operating procedures.
- **Hire:** Finally, the IEM coordinator will arrange with the Training Lead a start date to include program New Hire training.

IEM will not hire or enter into contracts with unqualified Section 3 residents or business concerns simply to meet the Section 3 goals, as anyone selected for contracting or employment opportunities must meet the qualifications for the job/contract being sought. IEM documents their outreach efforts and, to the greatest extent feasible, attempts to source qualified Section 3 residents and business concerns to meet the goals.



Appendix A: Posted Notice to Residents (Example)

IEM and its subcontractors are hiring personnel to support the PRDOH's CDBG-DR Program. These programs are funded by the U.S. Department of Housing and Urban Development (HUD) through the Government of Puerto Rico Department of Housing. This notice is intended to inform the public, project residents in particular, of jobs being created through the HUD funding.

These are Section 3 eligible job opportunities.

Number of Jobs	Title/Description	Key Qualifications
To be determined	Intake Specialist — Advise property owners through the process of the disaster housing recovery program	A four-year Bachelor's or two-year Associate's degree from an accredited university. A combination of education and relevant experience will also be considered. Two or more years of experience providing customer service and/or clerical work. Experience with Community Development Block Grant housing and/or Federal Emergency Management Agency hazard mitigation and similar programs/projects is preferred.
To be determined	Administrative Assistant — Provide routine office functions and support services for management and staff.	A High School diploma or its equivalent. One year of experience in performing routine office administration and secretarial services. Must know standard office procedures, basic computer operations, and office equipment operation.

Section 3 preferences include:

- Persons residing in the project area and who are of low to very-low income
- Participants in HUD Youthbuild
- Homeless persons
- Residents of the local Public Housing Authority
- Residents of the local Section 8 Housing Assistance Program units

For more information about job descriptions or to apply for a position, visit <http://www.iem.com/careers>

Estimated Project Start Date: To be determined

IEM is an Equal Opportunity Employer including Veterans and Disabled

We are an Equal Employment/Affirmative Action employer. We do not discriminate in hiring on the basis of sex, gender identity, sexual orientation, race, color, religious creed, national origin, physical or mental disability, protected Veteran status, or any other characteristic protected by federal, or local law.



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Appendix B: Employee Self Certification Form Sample (San Juan-Guaynabo, PR)

SECTION 3 - EMPLOYEE SELF CERTIFICATION FORM (2018)

This position is funded through Community Development Block Grant Disaster Recovery (CDBG-DR) funds, which the PRDOH receives from U.S. Department of Housing and Urban Development (HUD). To comply with Section 3 of the Housing and Urban Development Act of 1968, the PRDOH is required to collect residency and income information for persons hired to work on the PRDOH's CDBG-DR Program. **Your response is voluntary, confidential and has no effect on your employment.** However, the information on the form will help the PRDOH maintain the federal funds that support your position.

I, _____, am a legal resident of San Juan-Guaynabo, PR.

____ I qualify as a Section 3 resident because I am a resident of public housing in a listed county or zip code (See Qualification 1)

____ I qualify as a Section 3 resident because I meet the income guidelines for low income charted below (See Qualification 2)

____ I do not qualify as a Section 3 resident

Qualification 1: All residents of public housing developments in Puerto Rico qualify as Section 3 residents. Additionally, individuals residing in this metro area who meet the income limits set forth below also qualify for Section 3 status.

Qualification 2: Income is defined as the total annual income of all family and non-family members 18+ years old living within the household. All sources of income must be counted from all persons in the household. Find the column that lists the number of people in your household. If the gross income of your household is equal to or below the Low Income limit, then you meet the income qualifications for Section 3.

The following income limits are for Miami-Dade County.

Household Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Low Income Limit	\$17,300	\$19,800	\$22,250	\$24,700	\$26,700	\$28,700	\$30,650	\$32,650

My permanent address is _____.

I have attached a copy of the following documentation as evidence of my status:

____: Lease

____: Evidence of participation in a public assistance program or Receipt of Public assistance

____: Proof of residence in a public housing development

____: Other evidence _____

____: Not Applicable (I do not qualify as a Section 3 Resident)

I affirm that the statements are true and complete to the best of my knowledge and belief.

Signature: _____ Date: _____

Print Name: _____ Date Hired: _____

Section 3 Income Limits: A picture identification and proof of residency is required at the time of hire. U.S. Department of Housing and Urban Development income limits for the specified affected Florida County can be found at <https://www.huduser.gov/portal/datasets/il.html>



Appendix C: CDBG-DR Section 3 Contractor Reporting Form

CDBG-DR Section 3 Contractor Reporting Form

The U.S. Department of Housing and Urban Development (HUD), through Community Development Block Grant-Disaster Recovery (CDBG-DR), funds all or a portion of your contract. HUD requires the Government of Puerto Rico Department of Housing, to collect staff information on every contractor/subcontractor that receives a CDBG-DR funded, construction-related contract in excess of \$100,000, to ensure the PRDOH's compliance with Section 3 of the U.S. Housing & Urban Development Act of 1968. Your contract with the prime contractor includes a contractual obligation to comply with HUD's regulations in 24.CFR part 135, which implement Section 3

Section 3 requires recipients of HUD financial assistance to provide training, employment and contracting opportunities to Section 3 residents and businesses to the greatest extent feasible, consistent with existing federal, and local laws and regulations.

The forms in this reporting packet must be completed by all firms working on a Section 3-covered project whose contract amount exceeds \$100,000, even if the firm is not a "Section 3 Business."

You must complete these forms for each year that your CDBG-DR contract is open. The forms must be submitted to your funding agency in a timely manner. If you subcontracted with another firm in excess of \$100,000 as part of this project, please forward the subcontractor a separate copy of this form and have them complete Parts II-V

PART I: FOR PRIME CONTRACTORS

Complete this section ONLY if you are the prime contractor on a CDBG-DR-funded project.

ENTITY Overseeing Contract: _____

Project Name: _____

Project Site: _____

Name of Firm: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Report Period: _____

Contract Amount: _____

Date Submitted: _____

PART II: FOR SUBCONTRACTORS

Complete this section ONLY if you are a subcontractor on a CDBG-DR-funded project.

Name of Firm: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Firm Overseeing Subcontract: _____

Subcontract Amount: _____

Date Submitted: _____



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CDBG-DR Section 3 Contractor Reporting Form

INFORMATION ABOUT SECTION 3 RESIDENTS

A Section 3 resident is a public housing resident or an individual who resides in the one of the herein identified Counties, and who is considered to be a member of a low- or moderate-income household. The PRDOH's CDBG-DR Program Homeowner Assistance Program follows guidelines, promulgated by HUD, for determining who can be considered a Section 3 resident. All residents of public housing developments qualify as Section 3 residents. Individuals residing in designated disaster counties, and who meet the household income limits set forth by U.S. Department of Housing and Urban Development Income limits qualify for Section 3 status. U.S. Department of Housing and Urban Development Income limits for the specified affected Florida counties can be found at https://www.huduser.gov/portal/datasets/il/il2017/select_Geography.odn.

To document the income of your employees, you should utilize the "Employee Self-Certification Form" found with this CDBG-DR Section 3 reporting package. A separate form is available for each county that qualifies.

Individual Income

Income is defined as the total annual income a person earns, all sources of income must be counted. Employees should refer to their tax returns from the year prior to their hire to determine whether their income falls below the limits.

CDBG-DR Section 3 Contractor Reporting Form

PART III: EMPLOYMENT AND TRAINING OPPORTUNITIES

1. Did your firm hire or train any new individuals in connection with any CDBG-DR-funded construction projects within the past calendar year?
 - ☐ YES
 - ☐ NO
2. Did your firm hire any subcontractors in connection with this award?
 - ☐ YES
 - ☐ NO
3. If yes, was the value of any of these subcontracts in excess of \$100,000?
 - ☐ YES*
 - ☐ NO

*If you answered yes, please forward each subcontractor a separate copy of this form and have them complete Parts II-V

CONTRACTOR EMPLOYMENT AND TRAINING OPPORTUNITIES	A New Hire refers to a person who was hired in connection with the Section 3-covered project and was hired during the period covered by this report. A Section 3 New Hire refers to a person from a low- and moderate-income household (as defined by the Employee Self Certification form) who was hired in connection with the Section 3-covered project				Training, Part-Time, and Other Employees Training and Other Employment Related Opportunities: Include all employment opportunities generated by the expenditure of CDBG-DR funds on a section 3 covered project. Examples: use of "upward mobility", "bridge" and trainee positions to fill vacancies; hiring section 3 residents in management and maintenance positions within other housing developments; and hiring section 3 residents in part-time positions.	
	Job Category	Total Number of New Hires	Number of New Hires that Are Section 3 Residents	Total Number of Part-time, Other Employees, and Trainees	Number of Part-Time, Other Employees, and Trainees That Are Section 3 Residents	
	Professionals (CM3, Professional Engineer)					
	Technicians					
	Office and Clerical (Admin, CM1, CM2)					
	Officials and Managers (Senior Manager, Manager, Project Manager)					
	Sales					
	Craft Workers (skilled)					
	Operatives (semiskilled)					
	Laborers (unskilled)					
	Service Workers					

Section 3 Plan

Other (List below)				
Total				

CDBG-DR Section 3 Contractor Reporting Form

PART IV: SUMMARY OF EFFORTS

1. Did your firm recruit low- or moderate-income residents through local advertising media; signs prominently displayed at the project sites; contacts with community organizations, and/or private or public agencies operating within the five boroughs?
 - ☐ YES
 - ☐ NO
2. Did your firm participate in a program that promotes the training or employment of Section 3 residents?
 - ☐ YES
 - ☐ NO
3. Did your firm participate in a HUD program or other program that promotes the awards of contracts to business concerns which meet the definition of Section 3 business concerns?
 - ☐ YES
 - ☐ NO

4. If you answered "Yes" to any of the previous questions, please describe your efforts in the space below. Use as much space as necessary.

Part V: Signature

I affirm that the statements contained in this report are true, complete, and correct to the best of my knowledge and belief.

Signature of Authorized Representative of Contractor / Subcontractor

Print Name:

Title

Date



Appendix D: Section 3 Subcontract Provisions

All Section 3-covered subcontracts shall include provisions substantially similar to the following provisions.

- The Work to be performed under this Subcontract is subject to the requirements of Section 3 of the Housing and Urban Development (HUD) 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.
- The Subcontractor agrees to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. The Subcontractor further certifies that they are under no contractual or other impediment that would prevent them from complying with the regulations in 24 CFR Part 135.
- The Subcontractor agrees to send to each labor organization or representative or workers with which the Subcontractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Subcontractor's Section 3 obligations under this Subcontract, 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 and shall set forth minimum number and job titles subject to hire; availability of apprenticeship and training positions; the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- The Subcontractor agrees to include the Subcontractor's Section 3 obligations under this Subcontract in every lower-tier subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of this Subcontract or in the Section 3 obligations herein, upon a finding that the lower-tier subcontractor is in violation of the regulations in 24 CFR Part 135. The Subcontractor shall not subcontract with any lower-tier subcontractor where the Subcontractor has notice or knowledge that the lower-tier subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- The Subcontractor shall certify that any vacant employment positions, including training positions, that are filled: (i) after the Subcontractor is selected but before the Subcontract is executed, and (ii) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Subcontractor's obligations under 24 CFR Part 135.
- Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Subcontract for default, and debarment or suspension from future HUD assisted contracts.
- 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 Subcontract. 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 lower-tier subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. The Subcontractor agrees to comply with the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).



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CDBG-DR SECTION 3 BUSINESS CERTIFICATION FORM

Your contract is funded either in whole or in part by the Community Development Block Grant – Disaster Recovery Grant (CDBG-DR), which is provided through the United States Department of Housing and Urban Development (HUD). HUD requires the Government of Puerto Rico Department of Housing to collect staff information on every contractor, sub-contractor, etc. that receives a CDBG-DR funded, construction related contract in excess of \$100,000, to ensure the PRDOH's compliance with Section 3 of the U.S. Housing and Urban Development Act of 1968. Section 3 requires recipients of HUD financial assistance to provide training, employment and contracting opportunities to Section 3 residents and businesses to the greatest extent feasible, consistent with existing federal, and local laws and regulations.

You can utilize this form to pre-certify that you are a Section 3 business concern during the RFP process or after being awarded a CDBG-DR funded contract.

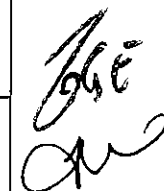
Sub-Contracting Company:

Street Address:

City: _____ State: _____ Zip Code: _____

Contractor Overseeing Sub-Contract:

1. Is your company currently certified as a Section 3 business by the Government of Puerto Rico Department of Housing? <input type="radio"/> YES <input type="radio"/> NO
2. Is your business owned (51% or more) by residents of public housing developments? <input type="radio"/> YES <input type="radio"/> NO
3. Is your business owned (51% or more) by individuals whose household incomes meets the Section 3 Income Limits as defined by U.S Department of Housing and Urban Development, identified by the County of residence? <input type="radio"/> YES <input type="radio"/> NO
4. Do 30% (or more) of your full time, permanent employees have household incomes or individual incomes that meet the Section 3 Income Limits as defined by U.S Department of Housing and Urban Development, identified by the County of residence? <input type="radio"/> YES <input type="radio"/> NO
5. Are 30% of your full-time, permanent employees, also residents the local housing authority? <input type="radio"/> YES <input type="radio"/> NO
6. Will your sub-contract more than 25% of this contract with any business that has any of the characteristics noted in Questions 1-5? <input type="radio"/> YES <input type="radio"/> NO



Section 3 Plan

SUBCONTRACTOR LISTING				
If you plan to subcontract for any of the work on this project, please complete the chart below for each subcontracting firm and return to IEM HR DEPARTMENT				
Subcontractor Name	Address	Type of Contract (i.e. specified building trade)	Amount of Subcontract	Is this business a Section 3 business? *

- If yes, a Section 3 Business Certification Form should be completed by the business and must be attached.

U.S Department of Housing and Urban Development Income limits for the specific affected Florida county can be found at: https://www.huduser.gov/portal/datasets/il/il2017/select_Geography.odn.

I certify that the above statements are true, complete, and correct to the best of my knowledge and belief.

Signature: _____

Print Name: _____

Title: _____

Date: _____

[Handwritten Signature]



GOVERNMENT OF PUERTO RICO
Department of Housing

ATTACHMENT 2
SCOPE OF WORK
Request for Proposals
Program Management Services
Community Development Block Grant – Disaster Recovery
Puerto Rico Department of Housing
CDBG-DR-RFP-2018-04
(Revised for Negotiations)

This document defines the program management tasks that the Proposer must perform in order to support PRDOH in the implementation and administration of two (2) CDBG-DR Housing Programs. The PRDOH reserves the right to retain program management of some of these programs internally and to select more than one Program Manager. A description of the two (2) CDBG-DR Housing programs is included in the Action Plan approved by the U.S. Housing and Urban Development (HUD) on July 29, 2018. A complete copy of the Action Plan is available at www.cdbg-dr.pr.gov/action-plan. The two (2) CDBG-DR Housing programs that will be subject to the Program Management services, are briefly described as follows:

1. **Home Repair, Reconstruction, or Relocation Program (R3)** - provides funding to repair damaged homes or rebuild substantially damaged homes in-place in non-hazard areas. Reconstruction activity returns otherwise displaced families to their homes in their same communities. Homes become eligible for reconstruction when the property estimated cost of repair exceeds the lesser of \$60,000 or 50% of the current value – as confirmed through program inspection, or if a feasibility inspection determines that reconstruction is required. Duplication of benefit review is required to ensure no individual receives duplication of benefit for the same purpose and/or effect as funds provided from other sources to recover from the hurricanes. Applicant awardees must subrogate any additional funds received for damage caused by hurricanes Irma or Maria back to the PRDOH. If additional funds are paid to applicant awardees for the same purpose as the housing assistance award received through PRDOH funding (i.e., repair or replacement of the damaged structure) after PRDOH has completed the repair/rehabilitation project, those funds must be returned to the Puerto Rico Department of Housing. The Housing Relocation Program provides homeowners with substantially damaged homes located in high risk areas an opportunity to relocate to a safer location.
2. **Housing Counseling** - provides recovering residents with wrap-around educational services to promote understanding of housing and financial options such as: financial literacy education, homebuyer counseling, credit repair counseling, mitigate default/foreclosure proceedings, etc. Housing Counselors will be equipped to connect program participants with resources including, but not limited to, Voluntary Organizations Active in Disaster (VOAD), and other federally funded programs like Continuums of Care (COC), section 8, and rental subsidy programs. The Program Manager will assign program participants to Housing Counselors retained by the PRDOH.

The PRDOH is conceptualizing the implementation of the housing programs through the use of internal resources and outsourced consultants and contractors. Call Center Services will be managed at a centralized location for all programs implemented under the CDBG-DR grant(s). Call Center Services are being procured by the PRDOH separately from all other services. However, it is expected that selected Program Manager(s) staff offices with adequate staff to answer calls from applicants assigned to the Program Manager Team. For the Housing Counseling Program, the PRDOH will establish agreements with HUD-approved Housing Counseling Agencies.

John Doe
John Doe

These agencies will be the entities responsible for the actual counseling services to be provided. The implementation of the Home Repair, Reconstruction, or Relocation Program will be divided into regions. For these programs the PRDOH will outsource general contractors to be responsible for the implementation of repair and construction works. The PRDOH will also contract independent environmental consulting firms to execute environmental reviews and studies, as well as test for the presence hazardous materials and develop abatement measures. The Proposer will be responsible for everyday management of the different tasks performed by the PRDOH's other contractors and consultants. The Proposer will also be responsible for the inspection of all construction works completed through the housing programs, except for homes located at participating municipalities of which additional details may be found further in this Scope of Work.

The Proposer will be directly responsible for ensuring the accuracy, timeliness, and completion of all tasks assigned under this contract. The scope of work presented is based upon circumstances existing at the time this Scope of Work is released. The PRDOH reserves the right to modify or delete the tasks listed and, if appropriate, add additional tasks prior to and during the term of the contract.

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

Operations Start-Up

The Program Manager's key staff resources must be ready to begin working within two (2) weeks after the contemplated contract execution date. As the PRDOH may select more than one Program Manager, the specific municipalities or regions where each Program Manager shall perform work will be determined at the sole discretion of the PRDOH. Program Managers may not charge additional costs due to the PRDOH assignment of municipalities or regions. The Proposer must provide and secure the necessary office space, office furniture, office supplies and personnel to staff the offices. The PRDOH may redefine municipalities or regions initially assigned based on Program Managers performance, compliance, and quality of work. The PRDOH will not guarantee a minimum number of applicants or cases to be handled by the Program Manager. The Program Manager's offices must be set up to assist property owners with existing applications and must be located within the region assigned by the PRDOH. Offices must be set up and adequately staffed to accept applicants within thirty (30) days of the contemplated contract execution date.

Task 00: General Program Management and Administration

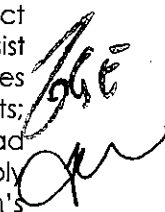
Hourly Rate Task

The Program Manager must have retained, and must maintain over the life of the contract, the following key staff resources:

- **Program Manager**

Qty: 1

The resource assigned to the Program Manager position will be the main point of contact between the PRDOH and the Program Manager. He shall be available on-call and assist program status and progress meetings. The Program Manager position responsibilities include formulating, organizing, and monitoring the overall performance of the projects; deciding on suitable strategies and objectives; coordinating cross-project activities; lead and evaluate other staff; develop and control deadlines, budgets, and activities; apply change, risk, and resource management; assume responsibility for the program's performance and its staff; assess program performance and aim to maximize it; resolve program issues; prepare and review reports to the PRDOH; and any other function required



in support of the program. The Program Manager shall maintain a complete understanding of all applicable Housing Program policies, requirements, and procedures and reviews all cases within the established guidelines; and shall possess knowledge of regulatory and statutory compliance requirements for CDBG disaster recovery and similar programs/projects. Should have a bachelor's degree from an accredited institution and at least ten (10) years of experience in CDBG-DR program funder for disaster recovery and community development or related field.

- **Deputy Program Manager** **Qty. 1**
The resource assigned to the Deputy Program Manager position shall work together with the Program Manager to ensure the smooth performance of the project. Responsibilities will include: scheduling, assigning staff, allocating resources, assessing and managing risk, coordinating various components that contribute to the project as a whole to ensure on-time delivery, ensuring that deadlines are met, and keeping all parties informed of progress and any outstanding issues. The resource assigned to the Deputy Program Manager positions shall have at least a bachelor's or associate degree from an accredited institution or have at least five (5) years of experience in CDBG-DR, housing, community development, or related fields.
- **Operations Manager** **Qty. 1**
The resource assigned to the Operations Manager position will be responsible for the daily field operations and ensuring that such daily operations are performed in the most efficient manner. He will oversee logistics management, ensuring that procedures are in place to align with the program's goals and objectives. He will oversee standards of performance, safety policies, and procedures, and adjust internal policies as necessary. He will direct human resources and management activities on the operational side of the programs and may determine the staff needed to accomplish the operational tasks. The resource to be assigned to the Operations Manager position shall be a licensed professional engineer in compliance with Puerto Rico's Act Number 173 of August 12, 1988, as amended and must have at least five (5) years of experience in the management of projects.
- **Regulatory Compliance Officer** **Qty. 1**
The resource assigned to the Compliance Officer position will be responsible for ensuring that program activities and contracts follow applicable federal, state, and local regulations. He will create and implement policies, standards, and procedures to monitor compliance of all parties with applicable regulations. In addition, he will enforce standards to ensure that program maintains compliance standards. The Regulatory Compliance Officer shall maintain open lines of communication with all relevant decision makers and stakeholders to keep all parties informed of regulatory changes as they may apply to the programs. The resource assigned to the Regulatory Compliance Officer positions must have be acquainted with the requirements of the Davis-Bacon Act, the Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunities Standards, Section 3 requirements of the Housing and Urban Development Act of 1968, Minority Business Enterprise, and Women Business Enterprise. Shall have at least five (5) years of experience working in some sort of regulatory compliance field.
- **Complaints Coordinator** **Qty. 1**
The resource assigned to the Complaints Coordinator position will be responsible for coordination and resolution of complaints and appeals by performing tasks such as investigating the complaint or appeal, surveys, interviews, educating the applicants, etc.

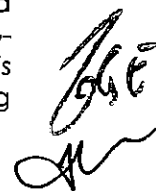
The Complaints Coordinator must pay special attention to applicants and their complaints or appeals and must do anything possible to ensure that complaints are properly mitigated and attended to. If a complaint or appeal merits it, the Complaints Coordinator may escalate the complaint or appeal to a higher management position for the appropriate actions to be taken. He must also ensure that applicant complaints are resolved in a timely matter. The resource assigned to the Complaints Coordinator position must have excellent communication skills with applicants and must have at least five (5) years of experience working in some sort of customer relations position.

- **Safety Officers** **Qty. 2**
The resources assigned the Safety Officer position shall be responsible for developing, monitoring, and implementing health and safety policies as to ensure that programs follow health and safety laws and regulations, and to reduce or prevent hazards, dangers, and accidents. Safety Officers shall conduct spot inspections at projects to identify potential hazards, assess their risk, report on them, and enforce compliance with policies and regulations. Resources assigned to the Safety Officer positions must have at least five (5) years of experience working as safety officers in construction projects and must have, at the least, an OSHA 30 hours training certification in the construction industry.
- **Special Inspectors** **Qty. 2**
The resources assigned to the Special Inspector position shall be responsible for assessing special cases of work non-compliance and construction-related complaints or appeals. They will also assist in damage assessments requiring special engineering considerations for out of the ordinary conditions that may require specialized knowledge and attention to determine if repairs can or cannot be performed in a way that assures overall safety and integrity of the structures. Resources assigned to the Special Inspector positions shall be licensed professional engineers in compliance with Puerto Rico's Act Number 173 of August 12, 1988, as amended and must have at least ten (10) years of experience performing construction inspections.

Key staff resources must remain assigned to the Programs over the life of the contract and are to be invoiced by the Program Manager to the PRDOH on an hourly basis with a maximum not to exceed monthly amount of the **Task 00: General Program Management and Administration**. Program Managers must notify PRDOH in writing of any changes in key staff resources. All changes to Key Staff are subject to approval of the PRDOH. Additional resources to be employed will be determined by the Program Manager based on the workload assigned and performance, nonetheless PRDOH will not compensate for time worked by any additional positions other than the positions specified above. These will be invoiced by the Program Manager to the PRDOH based on the unit prices of **Tasks 1 through 6** described below.

The Program Manager shall be responsible for program operations, applications processing, and administration of the tasks and services contained herein related to the two (2) assigned CDBG-DR Housing Programs. This task will include the activities listed below. The activities listed under this task also apply to Tasks 01 through 06 to ensure proper management of the two (2) Housing Programs.

- **Operational Support**
 - Work closely with the PRDOH officials, and its designees in preparing and maintaining the overall project plan for all phases of the assigned Housing Programs, manage day-

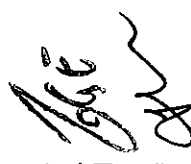


to-day operations, improve processes for quality and efficiency, implement policy changes, and adapt to a program closeout environment.

- Develop a Communication Plan to match programs' objectives and include a formal structure for regular reporting, performance milestones, project-wide meetings, and policies on information for the community and press.
- Assist the PRDOH in the development of program policies and procedures, and, once approved by the PRDOH, their dissemination among all involved parties. Given that more than one Program Manager may be selected by the PRDOH for the programs, different Program Managers will have to collaborate as to ensure program policies and procedures are concise for the entire implementation group. Program Manager will have a lead role in the development of program policies and procedures. All policies and procedures are subject to PRDOH approval.
- Review contractors and subcontractors (including construction contractors, environmental contractors, etc.) contract deliverables to determine if such contractors and subcontractors are in compliance with their contracts and CDBG-DR requirements.
- Report on various aspects of the project that reflects the major activities for the reporting period as specified by PRDOH (e.g. monthly, quarterly, etc.).
- Regularly communicate potential risks, issues, and statuses to PRDOH and pertinent parties.
- Offer alternatives to utilize IT solutions that support the management and implementation of all assigned disaster recovery programs/projects. The proposal for these IT solution alternatives shall consider the costs of synchronizing data with IT solutions provided by PRDOH.
- Develop and/or utilize existing processes for PRDOH to properly collect data and document information as necessary to optimize compliance with all funding streams.
- Ensure PRDOH's documentation is sufficient to respond to Office of Inspector General, HUD, PRDOH, or any other entity that audits or reviews the Programs.
- Assist PRDOH training sessions regarding programs implementation. The Program Manager's lead staff shall be required to attend PRDOH training sessions. After training has been provided to the Program Manager's lead staff by the PRDOH, such lead staff will be responsible for the knowledge transfer to other PM staff.
- Document all applicant interactions and communications within the PRDOH system of record.
- Any other task necessary to support the programs' operations.

▪ **Project Management**

- Provision of project management for the assigned CDBG-DR Housing Programs as needed by the PRDOH.
- Provide survey, engineering, and construction oversight for flood zone determinations, elevation certificates, inspections for scope compliance, and HUD quality standards. All applicants must be able to obtain flood insurance in accordance with federal regulations.
- Perform periodic reviews of construction contractor inspection reports, evaluations of invoices, etc.
- Ensure compliance with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act (when applicable), Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Fair Housing and Equal Opportunity Standards, and all other applicable federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the execution of the assigned Housing



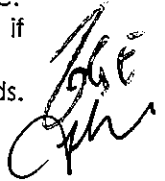
Programs. Take special notes of minimum wage increases planned for Puerto Rico's construction workforce. Program Manager will be required to ensure compliance with minimum wages.

- Perform periodic reviews of construction contractor files to ensure compliance with the statutory and regulatory compliance of Section 3 Housing and Urban Development Act of 1968.
 - Coordinate efforts of compliance over environmental, construction, financial, and HUD regulations.
 - Establish project performance benchmarks and updated budget comparisons to measure progress and compliance with critical objectives in mind. Critical stages will be identified, and a monitoring checkpoint established to ensure follow-up.
 - Adopt portfolio management processes and tools for organizing and managing programs, funds, and project files.
 - Track and control project schedules.
 - Establish program timelines, goals, metrics, and deliverables of services in accordance with project funding allocations and production goals specified by PRDOH.
 - Manage all designated construction, rehabilitation, and repair activities to include, but not limited to, cost analysis, inspections, construction progress, contractors' invoices review, and payment approvals, among others.
 - Manage all acquisition, demolition, and clearance activities in accordance with Uniform Relocation Act (URA), FEMA requirements, and procedures established by the PRDOH.
 - Manage program compliance requirements to include programmatic and financial reporting including, but not limited to, coordinating and preparing project and financial management reports with PRDOH designee for federal, state, and local government audits.
 - Prepare documentation requested by PRDOH appeals board as it may apply. Comply with any requests from the PRDOH appeals board.
 - Any other supporting functions or task necessary for proper project management.
- **Construction and Statutory Compliance**
 - Prepare, review, and approve change orders.
 - Set-up on-site visits and perform on-site monitoring interviews.
 - Hold construction/rehabilitation contractors and suppliers/installers accountable for warranty issues and oversee warranty calls to a firm.
 - Ensure that applicants are conforming to all applicable Uniform Relocation Act (URA) guidelines. If tenants are identified at any point in the process, a due-diligence must be performed to relocate the tenant, if required, and log appropriate actions into the system of record.
 - Any other task necessary to ensure construction and statutory compliance of the programs.
 - **Document Control and Management**
 - Store, archive, and retrieve physical documents and electronic images of all paper documents, applicant-related emails, correspondence, training material, and policies and procedures.
 - Establish and maintain protocols for physical file management to include, among other things, access to a file, tracking of location and possession of a file, and return of a file. This assumes that the Proposer will provide the necessary secure space and

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storage equipment to perform such function. It also assumes that the Proposer will maintain soft copy backups of originals in their custody.

- Ensure all project information and documentation is available at all times in the PRDOH system of record.
 - Any systems, tools, or technology provided must meet PRDOH's Personal Identifiable Information requirements.
 - Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, the following records are required:
 - Records providing full description of each activity;
 - Records verifying that activity meets national and grant objectives;
 - Records related to demonstrating eligibility of activities;
 - Records required to document activity related to real property;
 - Records documenting compliance with Davis-Bacon Act, Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act, Minority Business Enterprise, Women Business Enterprise, Section 3 of the Housing and Urban Development Act of 1968, fair housing and equal opportunity requirement;
 - Financial records and reports required by the Program; and
 - Records supporting any specific requirements of the Housing Programs or the CDBG-DR allocations.
 - Please note that the PRDOH will not pay for any work not documented in the PRDOH system of record.
 - Any other task necessary for the proper document control management.
- **Accounting and Reporting**
- Provide status reports on a regular basis to keep the PRDOH informed of progress.
 - As requested, meet with the PRDOH to discuss the status of the project, applicant concerns, and any other issues that may have arisen during the administration of the assigned Housing Programs.
 - Provide the PRDOH with project progress reports on demand, as well as access to the project management system for PRDOH to monitor the project.
 - Report on information that includes project activity deemed critical by the PRDOH.
 - Compile and review information necessary to prepare reports required under HUD regulations.
 - Account for and reconcile, (a) all federal funds requested and drawn from HUD and awarded to grant recipients, (b) all funds returned by applicants and their insurance companies (through the insurance subrogation process), (c) all funds deposited by applicants to reduce duplicative benefits potential award gap, and (d) all other funds returned by applicants.
 - Administer the collection and processing of insurance subrogation funds and funds provided by applicants to reduce duplicative benefits potential award gap. These funds will be reviewed and accounted for according to Program policies and procedures.
 - Reconcile with the PRDOH, on an established periodic basis, a complete inventory of all items furnished by the PRDOH, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.
 - Review and submit recommendations for approval of CDBG-DR funding requests if needed.
 - Review requests for payment from grantees and subrecipients for CDBG-DR awards. This will include review of all reimbursement of eligible costs as well as cost feasibility.



- Any other task necessary to ensure proper accounting and reporting as related to the programs.

- **Applicant Relations**

- Set up a local Program Manager Call Center to receive and handle calls forwarded from the CDBG-DR Call Center. The Program Manager will receive calls from the CDBG-DR Central Call Center with potential applicants for the Program Manager staff to guide them through the application process; collect eligibility requirements, duplication of benefits, and other documents; and to make sure that complaints are properly addressed all throughout the process.
- The portfolio of applications will require the staff to provide program support for inquiries made by the applicants via phone, email, or online web submission.
- Track all inquiries in the PRDOH system of records.
- Coordinate outreach efforts, including call-out campaigns and letter campaigns as required by the PRDOH.
- Provide written correspondence to all applicants to relay the status of their file at critical stages.
- Provide applicant consultation services to applicants as required. This includes providing technical assistance to facilitate communication between applicant and work site personnel for timely completion of construction.
- Respond to applicants within a 48-hour period from the time applicants make any requests.
- Adhere to reasonable customer service standards established by PRDOH. This may include tasks such as sending mass texts to applicants whose applications may be on hold for any number of reasons.
- Assist in the identification of vulnerable populations, develop and execute application intake strategies for specific geographies or applicant demographics.
- Refer to PRDOH any inquiries or complaints from elected offices or high-profile organizations such as mayors, representatives, or senators, media, cabinet members, etc.
- Document outreach efforts and outcomes.
- Any other task necessary to ensure proper relations of the Program Manager with its assigned applicants.

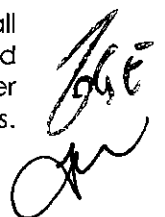
Task 01: Complete Applications of the R3 Program

Per Unit Task

As related to the R3 Program the Program Manager shall be responsible for the collection of all required information related to eligibility and duplication of benefits analysis. Program Manager will be responsible for making recommendations for determinations as to eligibility and award amounts. These recommended determinations must be approved by PRDOH staff. The Program Manager will submit application packages, including all required documentation and the recommended determination, to the PRDOH for the corresponding eligibility and award amounts review and approval. The Program Manager is responsible for remedying deficiencies associated with the recommendation, as requested by PRDOH staff. This task shall include the following:

- **Intake**

- Intake of applications for programs/projects. Take care, receive, and process all applicants referred by the CDBG-DR Call Center or Municipalities Offices and related to the assigned Housing Programs. Intake can be performed by the Program Manager at on-site or off-site locations for special events or for applicants with special needs. Intake will also be done using housing applications from a web-site or phone.



- Educate and guide the applicant through the requirements and timing.
- Assist the applicant in the evaluation of his/her options.
- Perform initial application screening and processing, including completeness review and threshold eligibility review.
- Collect required documentation for the applicable program such as income documentation, proof of ownership, proof of primary residence, pre-disaster housing conditions and values, status of applicant's property taxes, mortgage, insurance, etc.
- Interview applicants and collect all relevant information required to make a Benefit Determination and Verification, including Duplication of Benefits (DOB).
- Evaluate documentation to be later submitted for PRDOH's determination of eligibility for CDBG-DR award based on program and federal requirements.
- Request any additional information that may be required from the applicants.
- Follow due-diligence processes established by PRDOH to provide opportunity for applicants to supply missing and supporting information.
- Verify that information submitted by applicants is recorded in the PRDOH system of record; contact the applicant to resolve any missing or incomplete items.
- Document communications with applicants regarding the status of their applications and subsequent related processes. All communication with applicants shall be recorded in the PRDOH system of record.
- Any other task necessary to complete the intake process of applicants.

▪ **Eligibility**

- Confirm applicant ownership/title. Identify owners from recorded documents. Coordinate efforts for title clearance with Title Clearance Program representatives when necessary.
- Review Uniform Relocation Act (URA) implications for each applicant.
- Identify/verify applicant disabilities and need for accommodations.
- Work with applicant, municipalities, taxing authorities, insurance companies, third-party inspectors, title companies, lenders, and other vendors to collect information to perform a complete eligibility verification of the applications.
- Perform a review of all documents required from applicants and third parties and ensure that the provided documents are sufficient according to Program policies and procedures.
- Work in coordination with PRDOH to maintain records and communications for detection and prevention of fraud, waste and abuse of federal funds.
- Review receipts provided for previous work and calculate the preliminary amount of funding the applicant is eligible to receive. Determine reimbursement for materials and labor charges, if applicable.
- Mail eligibility, ineligibility, withdrawal confirmation letters and any other required program notifications. Program Manager is responsible for the payment of any postage, certified mail, mail delivery, and expedited delivery, among others as needed.
- Advise applicants who are deemed ineligible and inform them of the applicable appeals process.
- Provide eligibility decision justification to appeals team.
- Review all open application, eligibility award determination, and/or owner-occupant issues.
- Document communications with applicants regarding the status of their applications and subsequent related processes.
- Any other task necessary to complete the eligibility process of applicants.

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The PRDOH will only issue payments for completed applications that are deemed eligible by the PRDOH. No payment will be issued by the PRDOH to the Program Manager for applications deemed ineligible or for applications where the applicant withdraws from the assigned Programs or is found to be non-responsive to the assigned Programs. Also, Program Manager may be required to perform intake tasks outside of normal business hours to accommodate program needs (i.e. weekends or evenings).

Task 02: R3 Damage Assessments

Per Unit Task

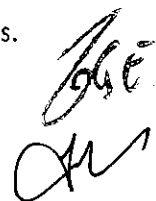
As related to the R3 Program the Program Manager shall be responsible for the assessment of damages to homes and the development of a scope of work for their rehabilitation. Damages to homes must have been caused by Hurricanes Irma and/or María. Damage Assessments shall be performed after the PRDOH has deemed an applicant eligible for the R3 Program. Damage assessments must be certified by a licensed professional engineer or licensed architect in Puerto Rico. This task shall include the following:

■ Preparation

- Coordinate with the applicant, the appraiser, and the environmental inspector, the date and time for the damage assessment to be conducted. The damage assessment, appraisal, and on-site environmental review should be conducted at the same date and time.
- Assign the inspection team that will conduct the damage assessment.
- Identify if the home to be assessed for damages is located in a flood plain or other flood-risk zone.
- Identify if there is any record of hazards in the soil or water on or near the home.
- Identify if the home has potential for lead based materials.
- Coordinate with the PRDOH's Environmental Consultants the environmental site visit to the home. Damage assessment and environmental site visits should be performed in parallel as to minimize disturbances to the applicants.
- Damage Assessments shall be performed by the Program Manager within a week from the time the PRDOH deems an applicant eligible. If Damage Assessment cannot be performed within the required timeframe, the Program Manager must document the reasons for not complying. PRDOH will only accept non-compliance with the established timeframe for reasons out of the control of the Program Manager.
- Any other task necessary to prepare for the Damage Assessment.

■ Damage Assessment

- Assess the home's site elements and determine their conditions and damages. Home site elements may include (but is not limited to):
 - Site restrictions;
 - Site accessibility;
 - Drainage systems;
 - Site improvements such as: plantings, fences, lighting, paved areas, stairs, and retaining walls, among others;
 - Outbuildings; and
 - Yards and courts.
- Assess the home's exterior elements and determine their conditions and damages. Home exterior elements may include (but is not limited to):
 - Foundation walls and piers;



- Exterior wall elements such as: wood elements, siding, shingles, stucco, brick or stone veneers, and exterior insulation and finish systems, among others;
 - Windows and doors;
 - Weather stripping;
 - Shutters;
 - Awnings;
 - Garage doors;
 - Decks, porches, and balconies;
 - Exterior railings and stairs;
 - Roof weatherproofing and covering including: asphalt shingles, wood shingles or shakes, metal roofing, cement shingles, built-up roofing, single-ply membranes, and roll roofing, among others;
 - Skylights;
 - Gutters and downspouts, as well as drainage issues;
 - Parapets and gables;
 - Lighting protection;
 - Electrical service entry including: overhead wires, electric meter, service entry conductor;
 - Water service entry including: curb valve, house service main, master shut-off valve, and water meter; and
 - Septic tanks.
- Assess the home's interior elements and determine their conditions and damages. Home interior elements may include (but is not limited to):
- Basement and crawl spaces;
 - Fungal and insect infestation;
 - Thermal insulation;
 - Structural, electrical, plumbing, and HVAC systems;
 - Walls and ceilings;
 - Floors;
 - Columns;
 - Interior doors;
 - Windows;
 - Closets;
 - Trim and finishes;
 - Convenience outlets and lighting;
 - HVAC sources;
 - Skylights;
 - Plumbing;
 - Tub and shower enclosures;
 - Ceramic tile;
 - Counters and cabinets;
 - Electrical service;
 - Storage spaces;
 - Stairs and hallways;
 - Smoke detectors;
 - Handrails and guardrails;
 - Laundries;
 - Roof trusses and joist spaces;
 - Main panelboard;
 - Branch circuits;

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- Water distribution piping;
 - Equipment such as water heaters, plumbing components, water wells, pumps, gas supply components; air conditioning units and their components, among others.
- Review Tier 2 Environmental Questionnaire – Execute Tier 2 Questionnaire while on-site with the applicant.
- Quantify and document the value of work performed by the applicant at his/her home after the disaster that may result in a reduction to the applicant's duplication of benefits determination.
- Affirm home location on lot and gather GPS coordinates for home site to confirm flood zone designation.
- Complete any other surveys requested by the PRDOH while on-site with the applicant.
- Any other task necessary to complete the Damage Assessment.
- **Damage Assessment Report**
 - Prepare a detailed report on the condition of the home and damages identified during the damage assessment.
 - Include the total cost of the rehabilitation to bring the home within the Program parameters.
 - Include the quantification of the value of work performed by the applicant at his/her home after the disaster.
 - Include a detailed item-by-item take-off of the damages identified. For cost determination, take-offs shall be combined with standardized unit prices for each type of damage.
 - Include photographic evidence of the home's exterior including photos of the front, back, and sides. Include any additional photograph required to document the overall building structure and site.
 - Include photographic evidence of the damages identified during the damage assessment. Pictures must be of reasonable resolution to adequately discern the subject matter.
 - Include any conditions identified (engineering or otherwise) during the assessment that may not allow rehabilitation works to be performed at the home and, as such, may trigger reconstruction or relocation.
 - Ensure that the Damage Assessment Report is certified by a licensed professional engineer or licensed architect in Puerto Rico.
 - Include any other pertinent information to the Damage Assessment Report.
 - For damage assessment reports Program Managers are required to acquire, be proficient, and make use of Xactimate software for the damage assessment reports. Xactimate will be used throughout the R3 Program for consistency in line item pricing as well as damage assessment reports format. Costs associated with Xactimate product licenses are the responsibility of the Program Manager.
 - Program Managers must work with PRDOH to provide reports and line item data directly to the PRDOH system of record via Xactanalysis or other suitable alternatives.
 - Upload the report to the PRDOH system of record for review and approval of the PRDOH. Reports and data re to be uploaded in the format established by PRDOH.



Damage Assessment Reports shall be submitted by the Program Manager within a 5-day period of the damage assessment on-site inspection. Otherwise, the Program Manager may be subject to liquidated damages as set forth in the Contract.

Task 03: R3 Program Award Coordination

Per Unit Task

As related to the R3 Program the Program Manager, once the PRDOH has made a final eligibility determination, shall be responsible for the coordination of the award benefits with the applicant and the PRDOH's construction/rehabilitation contractors. Award coordination shall be completed when a notice to proceed with repair, reconstruction, or new construction works is issued to the construction/rehabilitation contractors. This task shall include the following:

- **Environmental Coordination**
 - Broad review of Tier I for GIS based environmental criteria.
 - Review of all environmental package (performed by PRDOH's Environmental Consultant that includes Tier II, Lead-Based Paint and Asbestos Assessment) to evaluate its completeness and to identify significant environmental issues.
 - Issue written comments on any inaccuracies identified in the environmental package during the site inspections.
 - Ensure that mitigation element notes of environmental assessments are included in construction documents.
 - Prepare suggested "conditions approval" to be added to the final environmental assessment prior to approval by the PRDOH to ensure all information shared during review process.
 - Ensure appropriate permitting for environmental (including lead-based paint and floodplain), drainage, storm water pollution prevention plan, building and other necessary permits have been acquired.
 - Any other task necessary to ensure environmental compliance of the project.
- **Finalize Benefit Determination and Verification, Duplication of Benefits, and Scoping**
 - Perform final feasibility analysis – rehabilitate, reconstruct, or relocate
 - Verification of benefits available to applicants
 - Identify and prevention of any remaining DOB.
 - Complete DOB review, including review of owner investment, insurance, FEMA or other funds are available. DOB determination is subject to PRDOH review
 - Incorporate findings of the Damage Assessment performed to the applicant's total need.
 - Incorporate environmental mitigation requirements to applicant's total need (LBP, SHPO, Radon, Asbestos, mold, flood plains, etc.).
 - Incorporate elevation requirements to the applicant's total need, if required.
 - Develop work order – scope and price the feasibility decision incorporating all hard (construction, elevation, accessibility, remediation) and soft costs (surveys, site plans, elevation certification, permits).
 - Deduct scope for DOB adjustments when necessary, red line changes and document justification.
 - Perform final review of the work order and file. Send for final approval by PRDOH.
 - Prepare and mail/email the applicant's award letter, notate duplication of benefit findings, and offer appeal.
 - Any other task necessary to finalize the award to the applicant.
- **Coordination with Applicant**



- Inform the applicant about the award and provide him with guidance as to the next steps to be taken by the Program.
 - Ensure that the applicant is informed about the process, the works to be performed, and the conditions of the award prior to any work being performed. This information should be shared in-person, whenever feasible.
 - Obtain and upload to the PRDOH system of record all required documents, signed and/or notarized when necessary. Required documents include, but are not limited to, the subrogation agreement, the right of entry, the grant agreement, promissory note and lien, from the applicant. Record the grant agreement and lien with appropriate jurisdictional entity. Program Manager is responsible for providing notary services.
 - Escrow applicant funds – hold applicant funds for duplication of benefits reduction/cancellation, distribute to the builder at the first construction draw.
 - Coordinate with the applicant the date to start construction works and his relocation during construction.
 - URA relocation services to permanent current occupants, permanent vacated tenants and temporary relocation of tenants to be performed by the Program Manager, will include but are not limited to the following categories: 1) Intake – Information Gathering; 2) Eligibility calculation; 3) Relocation Advisory and Technical Assistance; 4) Assist in drafting/reviewing procedures, forms, etc.; and 5) File Closing.
 - Any other task necessary to ensure proper coordination of works with the applicant.
- **Coordination of Construction/Rehabilitation Contractor**
- Assign a PRDOH approved construction/rehabilitation contractor to the project. Prior to assigning the project, the Program Manager shall perform and have available an evaluation of performance and bonding availability of the contractors in order to make an informed decision. Evaluation may require coordination with other Program Managers.
 - Once selected, coordinate with the construction/rehabilitation contractor and the applicant regarding the design, permitting, specific scope of work, plans, and specifications required for the project.
 - Ensure the inspectors to conduct R3 Progress Inspections participate in construction-ready documents review process along with required reviews of plans and specifications where applicable, these responsibilities carrying over to the construction phase services.
 - Issue a notice to proceed with the works to the selected construction/rehabilitation contractor.
 - Coordinate, perform, and lead a pre-construction meeting with the participation of the construction/rehabilitation contractor, the applicant, and personnel from the Program Manager.
 - Any other task necessary to ensure proper coordination of works with the construction/rehabilitation contractor.
- **Coordination of Housing Counseling for Relocation**
- Refer applicant to Housing Counseling Agency in the appropriate geographic region.
 - Coordinate with assigned Housing Counseling Agency to transfer knowledge of any pertinent information as related to relocation, including, but not limited to: applicant relocation preferences, desired amenities in a replacement property/community, household composition, or accessibility needs of household members.

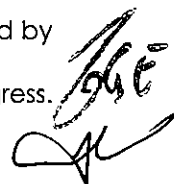
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- Perform review of all information and documentation submitted by the Housing Counseling Agency to ensure relocation efforts are properly documented in the PRDOH system of record.
- Any other tasks necessary to ensure provision of proper Housing Counseling services.

Task 04(A1): R3 Progress Inspections & Payment Request (by the PM) **Per Unit Task**

As related to the R3 Program the Program Manager shall be responsible for certifying work progress during rehabilitation or construction works by the Program. For this purpose, milestone inspections shall be conducted by the Program Manager at specific intervals of progress. Intervals of progress that require a milestone inspection and certification of works are determined by the PRDOH. All progress inspections and certifications shall be conducted and certified by a licensed professional engineer or licensed architect in Puerto Rico. This task shall include the following:

- **Coordination of R3 Progress Inspection**
 - Review documentation submitted by the construction/rehabilitation contractor in support of the requested progress inspection as to ensure that current project progress merits a progress inspection, including code compliance and project permits necessary up to the requested inspection. If documentation submitted by the construction/rehabilitation contractor does not merit a progress inspection, the Program Manager shall deny the progress inspection request to the construction/rehabilitation contractor and state the reasons as to why the progress inspection requested was denied.
 - If the project's progress warrants a progress inspection, coordinate the date and time for the progress inspection with the construction/rehabilitation contractor and the assigned inspector.
 - The assigned progress inspector shall be acquainted with the scope of work, plans, and specifications of the project to be inspected.
 - R3 Progress Inspections shall be performed within a 72-hour period from the time the construction/rehabilitation contractor requests the inspection.
 - Any other task necessary to properly coordinate the R3 Progress Inspection.
- **R3 Progress Inspection**
 - Visit the project site along with the construction/rehabilitation contractor and inspect works for overall progress and quality standards.
 - Assess compliance of the work performed with the project scope of work, plans, and specifications when applicable.
 - Take photographic evidence of the project's progress, paying special attention to items that will be later covered by other items of work.
 - Assess materials and/or equipment incorporated to the project by the construction/rehabilitation contractor and ensure that such materials and/or equipment are in compliance with the project's scope of work, plans, and specifications when applicable.
 - Any other task to ensure that a complete and thorough inspection is performed in the field.
- **Report on R3 Progress Inspection**
 - Prepare a detailed report on the progress and compliance of the work performed by the construction/rehabilitation contractor.
 - Include a brief narrative of the overall assessment of the project's progress.



- Clearly indicate the overall result of the inspection (i.e. pass or fail).
 - Clearly indicate in the report the scope of work items completed by the construction/rehabilitation contractor.
 - Include photographic evidence that supports the project's progress.
 - Indicate in the report any non-compliance items identified during the progress inspection.
 - Ensure that the progress inspection report is certified by a licensed professional engineer or licensed architect.
 - Include any other information pertinent to the findings of the R3 Inspection.
 - Upload inspection reports to the system of record in a format directed by the PRDOH.
- **Review of R3 Progress Report, Contractor Invoice, and Statutory Compliance**
 - Collect all appropriate information and record documents to meet the standards set forth by the CDBG-DR and the PRODH at the onset of every project.
 - Provide assurance that all appropriate bonding and insurance requirements are in place.
 - Monitor and collect documentation to support Davis-Bacon Act requirements, when applicable.
 - Ensure that applications conform to all applicable Uniform Relocation Act (URA) guidelines. If tenants are identified at any point in the process, a due-diligence must be performed to relocate the tenant, if required, and log appropriate actions into the system of record.
 - Review the R3 Progress Report for compliance and overall completeness.
 - Submit the report to the PRDOH and the construction/rehabilitation contractor. This report shall become part of the construction/rehabilitation contractor's application for progress payment.
 - If required by federal, state, or local laws or regulations, submit the report to pertinent third-party regulatory entities such as OGPe.
 - Review and provide recommendation for approval of contractor's payment request.
 - Assist in the review and submittal of properly completed and compliant CDBG-DR funding requests to the PRDOH finance division.
 - Track construction expenditures of CDBG-DR funds.
 - If, final R3 Progress Inspection of works, complete performance evaluation of construction contractor at the completion of the project, whether it is rehabilitation, reconstruction, or relocation.
 - Any other task necessary to ensure compliance of the reports and the processing of payments to contractors.

Milestone Inspection Reports shall be completed and submitted to the PRDOH within a 3-day period of the actual on-site inspection being performed. Contractor Invoices shall be reviewed, and comments (if any) issued to the Contractor, within a 5-day period of the Program Manager receiving the draft invoice documents.

For those cases where a progress inspection is failed by the construction/rehabilitation contractor and the Program Manager needs to perform an additional R3 Progress Inspection the PRDOH will only pay 50% of the cost of a full R3 Progress Inspection. This is in consideration that the follow-up inspection will not have the same scope as the original inspection. For follow-up inspections the Program Manager only needs to inspect items that failed during the original inspections. The follow-up inspection report will be developed in such a way that it supplements the original R3



Progress Inspection report. PRDOH may deduct from the construction contractor's payment any Program Manager failed inspection cost.

Note: There are four (4) R3 Progress Inspections to be performed by the Program Manager. The milestones identified for R3 Progress Inspections are (a) demolition and forming of new foundation, (b) structure completion, (c) home finishes, and (d) final inspection after all punch list items identified at the home finishes inspection are completed. For reconstruction cases, the progress and compliance of the demolition portion of the project shall be assessed along with the progress and compliance of the new home's foundations. For relocation cases, the demolition of the storm-damaged home shall be the final inspection for the project.

Task 04(A2): R3 Progress Inspections & Payment Request (by Municipalities) Per Unit Task

For the R3 Program the PRDOH will provide local municipal governments with the option of conducting the R3 Progress Inspections. If a project is located within a participating municipal government's jurisdiction, the R3 Progress Inspection shall be conducted by staff to be contracted by the local municipal government. For these cases, the Program Manager shall only be responsible for coordinating the progress inspection between the construction/rehabilitation contractor and the local municipal government assigned inspector. The Program Manager shall also be responsible for reviewing the Progress Inspection Report submitted by the local municipal government. This task shall include:

- **Coordination of R3 Progress Inspection**
 - Review documentation submitted by the construction/rehabilitation contractor in support to the requested progress inspection as to ensure that current project progress merits a progress inspection, including code compliance and project permits necessary up to the requested inspection. If documentation submitted by the construction/rehabilitation contractor does not merit a progress inspection, the Program Manager shall deny the progress inspection request to the construction/rehabilitation contractor and state the reasons as to why the progress inspection requested was denied.
 - If the project's progress warrants a progress inspection, coordinate with the construction/rehabilitation contractor and the assigned local municipal government inspector the date and time for the progress inspection.
 - The assigned progress inspector shall be acquainted with the scope of work, plans, and specifications of the project to be inspected.
 - R3 Progress Inspections shall be performed within a 72-hour period from the time the construction/rehabilitation contractor requests the inspection.
 - Any other task necessary to properly coordinate the R3 Progress Inspection.
- **Review of R3 Progress Report, Contractor and Municipal Invoice, and Statutory Compliance**
 - Collect all appropriate information and record documents to meet the standards set forth by the CDBG-DR and the PRODH at the onset of every project.
 - Provide assurance that all appropriate bonding and insurance requirements are in place.
 - Monitor and collect documentation to support Davis-Bacon Act requirements, when applicable.
 - Ensure that applicants are conforming to all applicable Uniform Relocation Act (URA) guidelines. If tenants are identified at any point in the process, a due-diligence must



be performed to relocate the tenant, if required, and log appropriate actions into the system of record.

- Review the R3 Progress Report for compliance and overall completeness.
- Submit the report to the PRDOH and the construction/rehabilitation contractor. This report shall become part of the construction/rehabilitation contractor's application for progress payment.
- If required by federal, state, or local laws or regulations, submit the report to pertinent third-party regulatory entities such as OGPe.
- Review and provide recommendation for approval of contractor's payment request.
- Review and provide recommendation for approval of pay requests for inspector services by participating municipalities.
- Review and provide recommendation for approval of pay requests for services provided by participant municipalities, other than inspection services.
- Assist in the review and submittal of properly completed and compliance CDBG-DR funding requests to the PRDOH finance division.
- Track construction expenditures of CDBG-DR funds.
- If, final R3 Progress Inspection of works, complete performance evaluation of construction contractor at the completion of the project, whether it is rehabilitation, reconstruction, or relocation.
- Any other task necessary to ensure compliance of the reports and the processing of payments to contractors.

Contractor and Municipality Invoices shall be reviewed, and comments (if any) issued to the Contractor and Municipality, within a 5-day period of the Program Manager receiving the draft invoice documents.

Task 05: R3 Applications Closeout

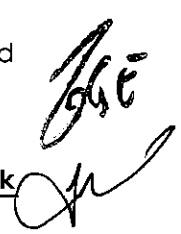
Per Unit Task

For the R3 Program the Program Manager shall be responsible for the final closeout of applications once all work under an award is completed. This task shall include the following:

- Ensure that construction/rehabilitation contractors or installers/suppliers have completed all tasks required by the award to the applicant by PRDOH.
- Ensure that all payments for tasks performed as related to the applicant and his/her awards have been performed by the PRDOH.
- Ensure that all supporting documentation is included in the application file.
- Ensure that any permits obtained for the project, that require a closeout process, are diligently closed by the construction/rehabilitation contractor and the installers/suppliers as may be applicable.
- Ensure that all environmental activities were performed, and the all environmental permits are closed out.
- Ensure that a use permit was obtained by the construction/rehabilitation contractor for the work performed for the award, if applicable.
- Ensure that the applicant was able to obtain flood insurance, if applicable, after rehabilitation works are completed.
- Review project list for closeout operations.
- Ensure compliance with 2 CFR 200 Subpart F, 24 CFR 570.509, CPD Closeout Notices, and DR Closeout Process, as may be applicable to the application.
- Any other task necessary to ensure proper closeout of the R3 Application.

Task 06: R3 HQS Inspections

Per Unit Task



In relocation awards under the R3 Program applicants will have the option of purchasing an existing home to replace the storm damaged one. Program Manager will be responsible for inspecting such homes prior to program purchase for compliance with Housing Quality Standards. This task shall include the following:

- Scheduling the HQS Inspection with seller within a week from the Program Manager being notified of the applicant's selection of a home.
- Coordinating an environmental assessment of the home with the PRDOH's Environmental Consulting firm and appraisal of the home.
- Inspect units, common areas, and exteriors to ascertain compliance with HUD's HQS.
- Document each inspection by completing an inspection report as approved by the PRDOH, and noting thereon when appropriate, information relating to the unit, deficiencies, and failures.
- Inform R3 applicants in writing, within five (5) days of the HQS inspection, as to the home's compliance with HQS.
- Ensure that all HQS inspections are certified by licensed professional engineer or architect in Puerto Rico.
- Any other activity required by HUD's or PRDOH's guidelines to ascertain HQS compliance.

If repairs are required to the unit to comply with HQS the Program Manager shall proceed with a damage assessment of the home to determine the scope of the work necessary to comply.

Additional Services (Allowance)

Per Unit Tasks

Specific cases may require the Program Manager to provide additional services to those stated above. For such services, the contract shall include an allowance and the Program Manager shall provide the PRDOH with unit pricing of the additional tasks to be performed. No additional task may be performed by the Program Manager without authorization of the PRDOH. Identified additional tasks are as follows:

▪ Intake Centers

The PRDOH may request the Program Manager to set up additional intake centers for the programs. These additional intake centers are separate from the Program Manager's regional office and must be requested by PRDOH. The PRDOH is contemplating to set up these intake centers at municipal offices, local government offices or at regional offices of the PRDOH. Regardless of the location determined by the PRDOH the Program Manager is expected to set-up requested intake offices and provide the necessary equipment for these offices to function. Intake centers will be paid by the PRDOH based on a per-office monthly lump sum amount. The Program Manager shall provide his proposed monthly lump sum amounts for the intake offices in the RFP Cost Form. Intake centers will be set-up at local municipal government offices or PRDOH regional offices. Therefore, it is not expected that the Program manager will have to incur in costs such as rent, utilities, etc. However, the Program Manager, for the intake centers, is expected to provide items such as furnishings and equipment for the centers (including such items as computers, printers, office materials, etc.). Program Manager will be responsible for the proper operation of the intake centers. Intake centers shall each have two (2) resources for the intake and processing of applications. The contract will include an allowance item from which, with the prior approval of the PRDOH, the Program Manager may be able to bill for the Intake Offices in operations for a specific period. At no time whatsoever may the Program Manager bill to the PRDOH over the total allowance amount included in the contract for Intake Offices. If additional funds are required for the allowance, then the proper



amendment to the contract shall be executed between the parties to allow for the additional budget.

▪ **Appraisal of Home Market Values**

Certain cases may require the appraisal of a home's current value. For such cases the Program Manager will be responsible for developing an opinion of market value. Such opinion shall be developed by analyzing such factors as utility, scarcity, desire, and effective purchasing power of the community. The analysis shall require the study of all value influences and may take the following approaches: the current cost of reproducing or replacing the home, minus an estimate for depreciation plus the value of land; the value indicated in recent sales of comparable properties in the market; and the value that the property's net earning power will support. Once the appraisal process is completed the Program Manager must submit the corresponding valuation report to the PRDOH for the specific case requested. This task shall also include any other task necessary to complete the appraisal of a home's fair market value. The contract will include an allowance item from which the Program Manager may be able to bill for the appraisal of home fair market values. At no time whatsoever may the Program Manager bill to the PRDOH over the total allowance amount included in the contract for Appraisal of Home Market Value. If additional funds are required for the allowance, then the proper amendment to the contract shall be executed between the parties to allow for the additional budget.

END OF SCOPE OF WORK

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Compensation Schedule

Program Management Services
Innovative Emergency Management, Inc.

Program Management & Administration Task (Maximum Per Month)

Position	Qty.	Hours/Month	Rate	Cost
Program Manager	1	200	\$ 92.31	\$ 18,461.54
Deputy Program Manager	1	200	\$ 77.31	\$ 15,461.54
Operations Manager	1	200	\$ 79.33	\$ 15,865.38
Regulatory Compliance Officer	1	200	\$ 32.69	\$ 6,538.46
Compliance Officer	1	200	\$ 27.88	\$ 5,576.92
Safety Officers	2	200	\$ 23.08	\$ 9,230.77
Special Inspectors	2	200	\$ 50.48	\$ 20,192.31
Sub-Total Monthly Cost				\$ 91,326.92
Overhead			73.000%	\$ 67,033.65
Profit			10.00%	\$ 15,886.06
Maximum Monthly Cost/PM				\$ 174,746.63
Services Total for 3 Years (36 Months)				\$ 6,290,878.85

R3 Applications Per Unit Tasks (Applications 1 to 1,000)

Task	Qty. Applications	Units / Application	Unit Price	Total Cost
R3 Complete Applications	1,000	1	\$ 2,606.00	\$ 2,606,000.00
R3 Damage Assessments	1,000	1	\$ 2,290.00	\$ 2,290,000.00
R3 Award Coordination	1,000	1	\$ 1,912.00	\$ 1,912,000.00
R3 Progress Inspections & Payment Requests (by PM)	500	4	\$ 602.00	\$ 1,204,000.00
R3 Progress Inspections & Payment Requests (by Municipality)	500	4	\$ 315.00	\$ 630,000.00
R3 Application Closeout	1,000	1	\$ 480.00	\$ 480,000.00
				\$ 9,122,000.00

R3 Applications Per Unit Task (Application 1,001 to 3,000)

Task	Qty. Applications	Units / Application	Unit Price	Total Cost
R3 Complete Applications	500	1	\$ 2,553.88	\$ 1,276,940.00
R3 Damage Assessments	500	1	\$ 2,244.20	\$ 1,122,100.00
R3 Award Coordination	500	1	\$ 1,873.76	\$ 936,880.00
R3 Progress Inspections & Payment Requests (by PM)	250	4	\$ 589.96	\$ 589,960.00
R3 Progress Inspections & Payment Requests (by Municipality)	250	4	\$ 308.70	\$ 308,700.00
R3 Application Closeout	500	1	\$ 470.40	\$ 235,200.00
				\$ 4,469,780.00

R3 Applications Per Unit Task (Applications >3,000)

Task	Qty. Applications	Units / Application	Unit Price	Total Cost
R3 Complete Applications	0	1	\$ 2,527.82	\$ -
R3 Damage Assessments	0	1	\$ 2,221.30	\$ -
R3 Award Coordination	0	1	\$ 1,854.64	\$ -
R3 Progress Inspections & Payment Requests (by PM)	0	4	\$ 583.94	\$ -
R3 Progress Inspections & Payment Requests (by Municipality)	0	4	\$ 305.55	\$ -
R3 Application Closeout	0	1	\$ 465.60	\$ -
				\$ -

Other Tasks

Task	Quantity	Unit Price	Total Cost
R3 HQS Inspections	500	\$ 600.00	\$ 300,000.00
Appraisal of Home Market Value	1,200	\$ 575.00	\$ 690,000.00
Intake Centers	360	\$ 3,909.68	\$ 1,407,484.80
			\$ 2,397,484.80

Total Contract Amount: \$ 22,280,143.65

File



GOVERNMENT OF PUERTO RICO
Department of Housing

*DV-OSPA-78-5

ATTACHMENT 5
OSPA
Request for Proposals
Program Management Services
Community Development Block Grant – Disaster Recovery
Puerto Rico Department of Housing

DEPARTAMENTO DE LA VIVIENDA
SECRETARIA AUXILIAR PARA ASUNTOS LEGALES
SECCIÓN DE SEGUROS

CONDICIONES ESPECIALES SOBRE SEGUROS Y/O FIANZAS

CONTRATO DE SERVICIOS PROFESIONALES

NÚMERO DE LICITACIÓN: _____

ATENCIÓN A TODOS LOS LICITADORES Y SUS CORREDORES DE SEGUROS

A. Invitación a Licitador Condiciones Especiales de Seguros y Fianzas

Antes de comenzar su trabajo o de recibir una notificación para proceder con el mismo, o que se le permita comenzar a trabajar, el licitador agraciado debe someter a la **Autoridad de Vivienda Local* (Departamento de la Vivienda de Puerto Rico y Administración de Vivienda Pública)** según sea el caso, en adelante la "AVL" en original o dos (2) copias certificadas de las pólizas de seguros y/o fianzas mencionadas a continuación, incluyendo todos los endosos y acuerdos según convenidos y requeridos bajo estas condiciones contractuales especiales, conforme a la siguiente lista de cotejo bajo los artículos marcados con una (X):

(X) 1. PÓLIZA DE SEGURO DE COMPENSACIÓN LABORAL DEL FONDO DEL SEGURO DEL ESTADO

Conforme a la Ley de Compensaciones por Accidentes del Trabajo Núm. 45, para facilitar su adquisición, la "AVL" le proveerá al licitador exitoso una carta dirigida al Fondo del Seguro del Estado.

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*DV-OSPA-78-5

(X) 2. **RESPONSABILIDAD GENERAL COMERCIAL**

CUBIERTAS		LIMITES
I.	Commercial General Liability:	\$1,000,000.00
	• General Aggregate	\$2,000,000.00
	• Products & Complete Operations	\$1,000,000.00
	• Personal Injury & Advertising	\$1,000,000.00
	• Each Occurrence	\$1,000,000.00
	• Fire Damage	\$100,000.00 (Any one Fire)
	• Medical Expense	\$10,000 (Any one person)
II.	Employer's Liability Stop Gap:	
	• Bodily Injury by Accident Each Employee Each Accident	\$1,000,000.00 \$1,000,000.00
	• Bodily Injury by Disease Each Employee Each Accident	\$1,000,000.00 \$1,000,000.00
III.	Personal Property under care, custody and control:	\$1,000,000.00
IV.	Garage Liability and Garage Keepers – Legal Liability Forms	\$1,000,000.00 (occ.agg)

() k. OTRO: _____

(X) 3. **CUBIERTA DE CRIMEN:**

CUBIERTAS REQUERIDAS	
I.	Employee Dishonesty:
	• Limit - \$250,000 Per Occurrence
	• Deductible \$2,500 Per Occurrence
II.	Forgery & Alteration Form:
	• Limit - \$250,000 Per Occurrence
	• Deductible \$2,500 Per Occurrence
III.	Theft, Dissappearance & Destruction (Inside/Outside):
	• Limit \$100,000 Per Occurrence
	• Deductible \$1,000 Per Occurrence
IV.	Computer Fraud:
	• Limit \$100,000 Per Occurrence
	• Deductible \$1,000 Per Occurrence

John

*DV-OSPA-78-5

(X) 4. RESPONSABILIDAD COMPRENSIVA DE AUTOMÓVIL COMERCIAL

LIMITES
<ul style="list-style-type: none">• Auto Liability - \$500,000.00• Physical Damages - \$500,000.00• Medical Payments - \$5,000.00
La cubierta de Auto Comercial debe aplicarse a los siguientes símbolos:
<ul style="list-style-type: none">• Liability Coverage - 1• Physical Damages - 2 and 8• Hired - Borrowed Auto - 8• Non-Owned Auto Liability - 9

() h. OTRO: _____

(X) 5. POLIZA PROFESSIONAL LIABILITY

(X) a. Riesgo, interés, localización y límites

(X) i. Descripción del trabajo a realizarse

(X) ii. LÍMITES:

Cada reclamación	U.S. \$5,000,000.00
Agregado	U.S. \$1,000,000.00
Deducible	U.S. \$ 5,000.00

iii. Certificación de que el contrato de seguros ha sido otorgado como cubierta de líneas e excedentes con arreglo al Código de Seguros del E.L.A.

() e. OTRO: _____

(X) 6. UMBRELLA

(X) Limite - \$10,000,000.00



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(X) 7. CYBER LIABILITY

(X) Limite - \$3,000,000.00

(X) 8. LAS POLIZAS A OBTENERSE DEBERAN CONTENER LOS SIGUIENTES ENDOSOS INCLUYENDO COMO ASEGURADOS ADICIONALES AL "AVL" Y AL GOBIERNO PUERTO RICO:

- (X) a. Breach of warranty
- (X) b. Waiver and / or Release of Subrogation
- (X) c. Additional Insured Clause
- (X) d. Hold Harmless Agreement
- (X) e. 90 Days Cancellation Clause

B. EVIDENCIA DE COBERTURA DE SEGURO DE CADA SUB-CONTRATISTA A SOMETERSE POR EL LICITADOR AGRACIADO COMO CONTRATISTA PRINCIPAL:

El licitador agraciado como Contratista Principal tiene el deber, de exigir de cada uno de los sub-contratistas o sub-sub-contratistas, mantengan vigentes todas las pólizas de seguros y/o fianzas necesarias para cubrir su participación individual en el riesgo o riesgos relacionados con el trabajo sub-contratado o el servicio a prestarse.

Por lo tanto, recalcamos, que antes de comenzar a trabajar o de recibir una notificación escrita de proceder con dicho trabajo o de que se le autorice a comenzar el trabajo, el licitador agraciado como Contratista Principal tiene la responsabilidad de proveerle a la "AVL" evidencia a los efectos de que todos los seguros y/o fianzas requeridos bajo las condiciones especiales o requeridos bajo el sub-contrato a cada uno de los sub-contratistas o sub-sub-contratistas, están vigentes y debidamente aprobados por la Sección de Seguros de la "AVL".

Todas las pólizas de seguros se mantendrán vigentes durante el periodo contractual completo, de modo que con cualquier enmienda que resulte en la alteración de la fecha original de terminación del proyecto o de su costo total original, el Contratista principal tomara las medidas necesarias para solicitar del asegurador que incluya dichos cambios en todas las pólizas de



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seguros y/o fianzas relacionadas y someter evidencia mediante los endosos apropiados con las fechas de vigencia. Las cancelaciones sin consentimiento no son aceptadas.

La "AVL" reserva el derecho de parar cualquier trabajo o servicio bajo control hasta que la infracción a estos requisitos se haya subsanado, de modo que cualquier retraso en el cumplimiento del contrato basado en cualquier incumplimiento con los requisitos de cobertura del seguro se considerara de la exclusiva responsabilidad del Contratista Principal.

- C. Las compañías aseguradoras al emitir las pólizas y las fianzas deben estar autorizada para hacer negocios en Puerto Rico, tener una sólida reputación económica estar clasificadas como "A" por el "Best Key Rating Guide" y/o ser aceptadas por la agencia contratante a través de la Sección de Seguros.
- D. El contratista antes de comenzar los trabajos, o de recibir comunicación escrita para proceder, o que le sea permitido empezar a trabajar deberá someter a la agencia contratante para revisión, aprobación y certificación por la Sección de Seguros, original o copia certificada de cada una de las pólizas y/o fianzas mencionadas incluyendo todos los endosos y acuerdos según lo requerido y acordado bajo las Condiciones Contractuales Especiales de Seguros según se describe en este anejo.

E. CERTIFICACION

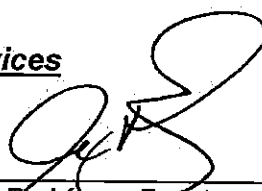
Por todo lo cual, certificamos, que según nuestro mejor conocimiento y a nuestro mejor entender, hemos preparado las "Condiciones Especiales de Seguros y Fianzas" mencionadas anteriormente, luego de la evaluación adecuada de los riesgos relacionados, en base a la información sobre la naturaleza y la descripción del proyecto que nos fue sometida a petición del Programa Contratante mediante solicitud escrita.

NÚMERO DE LICITACIÓN:

DESCRIPCIÓN COMPLETA DEL SERVICIO:

Program Management Services

Sept - 6 - 18
FECHA



Arlyn Rodríguez Fuentes
Sección de Seguros
Secretaría para Asuntos Legales
arodriguez@vivienda.pr.gov
(787) 274-2527 x6311



HUD GENERAL PROVISIONS

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

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

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 amend and implement such changes and to ensure subcontracts terms and conditions are modified as necessary, if any.

General Provisions:**1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED**

Each and every provision of law and clause required by law to be inserted in this 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 Supplemental Appropriations for Disaster Relief Requirements, 2017 (Pub. L. 115-56), approved September 8, 2017 (Appropriations Act), as amended, including but not limited to the applicable Office of Management and Budget Circulars, which may impact the administration of funds and/or set forth certain cost principles, including if certain expenses are allowed.

3. BREACH OF CONTRACT TERMS

The PRDOH 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 PRDOH and/or the Government of Puerto Rico. The CONTRACTOR shall cooperate with all the PRDOH and/or the Government of Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 24 C.F.R. §§ 85.40-41 (or 84.50-52, if applicable) and 570.507, when applicable.

5. ACCESS TO RECORDS

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

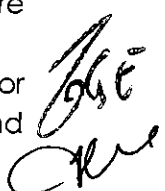
6. MAINTENANCE/RETENTION OF RECORDS

All records (files, data, work product) connected with this Contract will be turned over to PRDOH following the Agreement termination to be maintained for the remainder of the grant and post grant closeout.

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, but are not limited to:

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

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- (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 the PRDOH on a quarterly basis.

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

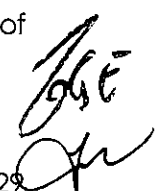
The Proposer will comply with the provisions of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives Federal funds or other Federal financial assistance. Programs that receive Federal funds cannot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

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.

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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.

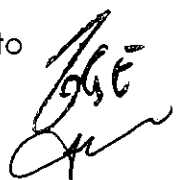
14. CONFLICTS OF INTEREST

The CONTRACTOR shall notify the PRDOH 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 or 84.42, if applicable). The CONTRACTOR shall explain the actual or potential conflict in writing in sufficient detail so that the PRDOH is able to assess such actual or potential conflict. The CONTRACTOR shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The CONTRACTOR shall accept any reasonable conflict mitigation strategy employed by the PRDOH, including but not limited to the use of an independent subcontractor(s) to perform the portion of work that gives rise to the actual or potential conflict.

15. SUBCONTRACTING

When subcontracting, the 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

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- 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 PRDOH that all work shall be performed by personnel experienced in the appropriate and applicable profession and areas of expertise, taking into account the nature of the work to be performed under this 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 Agreement, and shall not transfer any interest in the same (whether by assignment or novation) without prior written approval of the PRDOH.

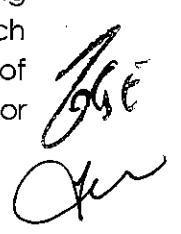
17. INDEMNIFICATION

The CONTRACTOR shall indemnify, defend, and hold harmless the Government of Puerto Rico and PRDOH, its agents and employees, from and against any and all claims, actions, suits, charges, and judgments arising from or related to the negligence or willful misconduct of the 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 Agreement to ensure compliance by subcontractors with such regulations, and shall be responsible for the submission of affidavits required of subcontractors thereunder except as the Secretary of Labor may specifically provide for variations of or exemptions from the requirements thereof.

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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).

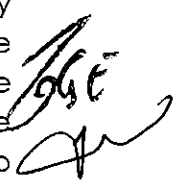
All laborers and mechanics employed by CONTRACTORS or subcontractors, including employees of other governments, on construction work assisted under this Contract, and subject to the provisions of the federal acts and regulations listed in this paragraph, shall be paid wages at rates not less than those 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 PRDOH.

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 or her obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Contract, the PRDOH 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 Agreement shall, at the option of the PRDOH, become the PRDOH'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 and PRDOH for damages sustained by the Government of Puerto Rico and/or PRDOH by virtue of any breach of the Agreement by the CONTRACTOR, and the Government of Puerto Rico and/or PRDOH 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 and/or PRDOH from the CONTRACTOR is determined.

22. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

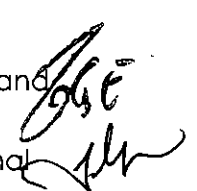
The PRDOH may terminate this Contract at any time by giving at least ten (10) days' notice in writing to the CONTRACTOR. If the Contract is terminated by the PRDOH as provided herein, the CONTRACTOR will be paid for the time provided and expenses incurred up to the termination date.

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:

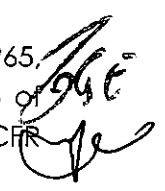
- 1) The CONTRACTOR will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The CONTRACTOR agrees to take affirmative action to employ, advance in employment 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.
- 

- 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. EQUAL EMPLOYMENT OPPORTUNITY

(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 Agreement, 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 or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers representative of the 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 Agreement or with any of such rules, regulations or orders, this

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Agreement 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 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The 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 Agreement.

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

The 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).

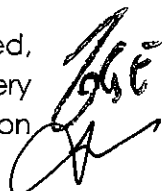
26. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS

(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 Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the CONTRACTOR that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the CONTRACTOR will take such action as the government may direct as a means of enforcing such provisions.

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27. ANTI-LOBBYING

(Applicable to contracts exceeding \$100,000)

By the execution of this Contract, 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:

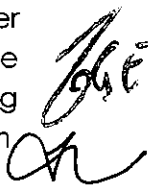


- 1) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the

bidder will, upon acceptance of his or her bid, execute such contractual documents as may be required within the time specified.

- 2) A performance bond on the part of the CONTRACTOR for one hundred percent (100%) of the Agreement price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the CONTRACTOR's obligations under such contract.
- 3) A payment bond on the part of the CONTRACTOR for one hundred percent (100%) of the Agreement price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

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

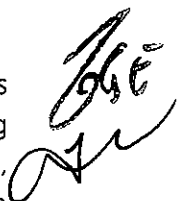
- 1) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- 2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- 3) The 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 Agreement for default, and debarment or suspension from future HUD assisted contracts.
- 7) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (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).
- 8) For contracts exceeding \$100,000, the CONTRACTOR shall submit Form HUD 60002 (Section 3 Summary Report) to PRDOH on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

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.



31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

CONTRACTOR agrees to comply with mandatory standards and policies relating to Hatch Act, Public Law 94-163, as amended.

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

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

33. HEALTH AND SAFETY STANDARDS

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

34. PERSONNEL

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

35. WITHHOLDING OF WAGES

A handwritten signature in black ink, appearing to be "J. E. F.", is located in the bottom right corner of the page.

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

36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

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

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

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

A handwritten signature in black ink, appearing to be "J. E. [unclear]", is written over the bottom right portion of the text in section 38.

39. INTEREST OF CERTAIN FEDERAL OFFICERS

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

40. INTEREST OF CONTRACTOR

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

41. POLITICAL ACTIVITY

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

42. RELIGIOUS ACTIVITY

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

43. FLOOD DISASTER PROTECTION ACT OF 1973

The CONTRACTOR will ensure that procedures and mechanisms are put into place to monitor compliance with all flood insurance requirements as found in the Flood Disaster Protection Act of 1973, 24 C.F.R. § 570.605.

44. LEAD BASED PAINT

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

45. VALUE ENGINEERING

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

The CONTRACTOR must comply with the regulations regarding systematic and organized approach to analyze functions of systems, equipment, facilities, services, and materials to ensure they achieve their essential functions at the lowest cost consistent to life cycle in execution, reliability, quality, and safety, in accordance with 24 C.F.R. § 200.318.(g).

A handwritten signature in black ink, appearing to be 'LGE' followed by a stylized flourish.