GOVERNMENT OF PUERTO RICO
Department of Housing

PRDOH REGISTERED
APR 0 6 2021
2021-DH0152
CDBG-DR CONTRACT ADMINISTRATION

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

SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE
MUNICIPALITY OF VILLALBA

ljho
ljho

This **SUBRECIPIENT AGREEMENT** (hereinafter, the "Agreement") is entered into this 6 day of April, 2021, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "PRDOH"), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRA § 441 *et seq.*, known as the "Department of Housing Organic Act" (the "Organic Act"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the **MUNICIPALITY OF VILLALBA** (the "Subrecipient"), a Municipality with principal offices at Villalba, Puerto Rico, represented herein by its Mayor, Hon. Luis Javier Hernández Ortiz, of legal age, single, and resident of Villalba, Puerto Rico, collectively the "Parties".

WORR
WORR

I. RECITALS AND GENERAL AWARD INFORMATION

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 former Governor of Puerto Rico to the Hon. Benjamin Carson, Secretary of HUD, the PRDOH is the governmental agency designated as grantee of the CDBG-DR funds allocated to the Government of Puerto Rico.

WHEREAS, under the Bipartisan Budget Act of 2018, signed into law February 9, 2018 (Pub. L. 115-123), an additional $8.22 billion were appropriated by Congress for disaster recovery assistance to the Government of Puerto Rico under CDBG-DR.

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).

WHEREAS, under the Additional Supplemental Appropriations for Disaster Relief Act of 2019, signed into law June 6, 2019 (Pub. L. 116-20), an additional $277 million were appropriated by Congress for disaster recovery assistance to the Government of Puerto Rico under CDBG-DR.

WHEREAS, on January 27, 2020, an additional allocation of $277 billion for unmet infrastructure recovery needs was allocated to Puerto Rico under Federal Register Vol. 85, No. 17, (85 FR 4681). 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.

tjho

WHEREAS, on September 20, 2018, the Governor of Puerto Rico and the Secretary of HUD signed Grant Agreement Number B-17-DM-72-0001; allowing PRDOH access to $1,507,179,000 in CDBG-DR funding obligated under PL 115-56.

WORR

WHEREAS, on February 21, 2020, the Governor of Puerto Rico and the Secretary of HUD signed Grant Agreement Number B-18-DP-72-0001; allowing PRDOH access to $1,700,000,000 in CDBG-DR funding, obligated under PL 115-123.

WHEREAS, according to the approved current Action Plan, Puerto Rico intends to undertake the Non-Federal Match Program (hereinafter, "**the Program**"). The focus of the Program is to utilize CDBG-DR funds to provide the non-Federal cost share match for eligible subrecipients under Federal grant programs. The approved current Action Plan allocated a total budget of one thousand seven hundred million dollars ($1,700,000,000.00) to this program.[1] PRDOH will dedicate two million two hundred four thousand eight hundred eighty-nine dollars and seventy-three cents ($2,204,889.73) to meet the non-federal cost share obligation for activities outlined in **Exhibit C** ("Budget").[2] The Subrecipient will perform the services included in the **Exhibit A** ("Scope of Work") under this Agreement;

WHEREAS, the CDBG-DR funds made available for use by the Subrecipient under this Agreement constitute a Subaward of the PRDOH's Federal Award, the use of which must be in accordance with requirements imposed by Federal statutes, regulations, and the terms and conditions of the PRDOH's Federal Award;

WHEREAS, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, as amended, *supra*, the federal laws and regulations creating and allocating funds to the CDBG-DR program and the current Action Plan, to issue and award the subaward, enter and perform under this Agreement; and

WHEREAS, the Subrecipient has duly adopted the Resolution dated July 17, 2020 and with Identification No. 001, Series 2020 - 2021, authorizing the Subrecipient to enter into this Agreement with the PRDOH, and by signing this Agreement, the Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

---

[1] The PRDOH executed an Interagency Agreement with the Puerto Rico Private Partnership Authority on behalf of the Office for Recovery, Reconstruction, and Resiliency (COR3), Contract No. 2020-DR0038, as amended by Contract No. 2020-DR0038A, to provide access to information Subrecipient has already provided COR3.

[2] As additional projects are obligated by the FEMA PA Program and deemed eligible for CBDG-DR funding, additional projects may be incorporated at such later date as the Parties may agree to in a signed amendment to this Agreement.

GENERAL AWARD INFORMATION

The Subaward from PRDOH to the Subrecipient contemplated hereunder is for carrying out a portion of the Federal Award described in Section I above; thus, a federal assistance relationship is created with the Subrecipient. This Agreement shall be updated to reflect any changes to the Federal Award and the following award information.

CDBG-DR Grantee Federal Award Identification Number:	PRDOH DUNS #: 125967484
CDBG-DR Grantee Federal Award Date:	September 20, 2018
Federal Award project description:	See **Exhibit A** for Scope of Work
Subrecipient Contact Information:	Hon. Luis Javier Hernández Ortiz Municipality of Villalba P.O. Box 1506 Villalba PR 00766
Subrecipient Unique Identifier:	DUNS number: 782182919
Subaward Period of Performance:	Start Date: Effective Date, as defined in Section V of this Agreement. End Date: **thirty-six (36) months** from Start Date
Funds Certification:	Dated: September 22, 2020 Authorized Amount: $2,204,889.73 Funds Allocation: CDBG-DR "R01I21FEM-DOH-LM" Account Number: 6090-01-000 See **Exhibit D** for Funds Certification

ljho
ljho

WORR
WORR

NOW, THEREFORE, in consideration of the need for recovery from Hurricanes Irma and María and the premises and mutual covenants described herein, the Parties mutually agree to the terms described in this Agreement.

TERMS AND CONDITIONS

II. ATTACHMENTS

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

Exhibit A	Scope of Work
Exhibit B	Timelines and Performance Goals
Exhibit C	Budget
Exhibit D	Funds Certification
Exhibit E	HUD General Provisions
Exhibit F	Special Conditions

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 Attachments and this Agreement, the Agreement shall prevail.

III. SCOPE OF WORK

The Subrecipient shall be responsible for performing the activities detailed in **Exhibit A** (hereinafter, the "Scope of Work") of this Agreement, herein attached and made an

integral part of this Agreement, which may be amended from time to time with the consent of both Parties. The Subrecipient shall complete the Scope of Work in a manner satisfactory to the PRDOH and consistent with the terms and conditions of this Agreement and applicable Federal and local statutes, laws and regulations.

A. Subrecipient Management Responsibilities

1. As a condition of receiving this Subaward, the Subrecipient shall comply with PRDOH's procurement requirements, documentation requirements, and HUD funding requirements for the services included in the **Exhibit A** ("Scope of Work") and **Exhibit B** ("Timelines and Performance Goals") for the Program.
2. All services shall be made in accordance with PRDOH guidelines, HUD guidelines and regulations, and other applicable state and federal laws and regulations.

ljho

WORR

B. General Administration

Prohibited Activities: The Subrecipient may only carry out the roles and responsibilities described in this Agreement and the activities related to the performance of the Scope of Work described in **Exhibit A** of this Agreement. Notwithstanding anything to the contrary in this Agreement, the Subrecipient shall not be obligated to perform any work or services outside the Scope of Work described in **Exhibit A** of this Agreement.

The Subrecipient is prohibited from charging to the PRDOH the costs of CDBG and/or CDBG-DR ineligible activities, including those described at 24 C.F.R. § 570.207, unless waived or made eligible by an applicable Federal Register Notice, from using funds provided herein or personnel employed in the administration of activities under this Agreement for political activities, inherently religious activities, or lobbying. The Subrecipient may be financially liable for the carry out of activities outside of the parameters of the Scope of Work of this Agreement.

C. National Objectives

All activities funded with CDBG-DR funds must meet one of the CDBG-DR program's National Objectives: (i) benefit low-and moderate-income persons; (ii) aid in the prevention or elimination of slums or blight, or; (iii) meet community development needs having a particular urgency, as defined in 24 C.F.R. § 570.208, as amended by waiver published in the Federal Register, Vol. 83, No. 28 (83 FR 5844) on February 9, 2018.

The Subrecipient certifies that the activities carried out under this Agreement shall meet one of the following national objective(s) and satisfy the following criteria:

- Urgent Need – 24 C.F.R. § 570.483(d)
- Benefit to LMI Persons (24 C.F.R. § 570.483(b))
- Slum & Blight Prevention – 24 C.F.R. § 570.483(c)(1);

PRDOH will initially document compliance with the Urgent Need national objective and may subsequently reclassify national objective compliance after evaluating each project's service area to determine the composition of low- and moderate-income persons served.

The Subrecipient shall ensure that the services meet the applicable CDBG-DR National Objective(s) and that the subcontractor or third party complete the applicable forms to document the National Objective(s).

D. Levels of Accomplishment – Performance Goals and Timelines

The Subrecipient shall complete the activities required under the Scope of Work of this Agreement in accordance with the timeframes and performance goals set forth in

Exhibit B ("Timelines and Performance Goals") of this Agreement, herein attached and made an integral part of this Agreement.

E. Nonperformance Standard

If at the end of the **six (6) months** from the Effective Date, as defined in **Section V** of this Agreement, the Program activity has not begun or at any time during the term the Program activity has not accomplished the performance objectives set forth by the PRDOH in **Exhibit B** ("Timelines and Performance Goals"), the PRDOH, may, at its sole discretion, terminate this Agreement, de-obligate funds made available under this agreement, and/or recapture funds previously expended by the Subrecipient under this agreement from non-federal funds. No contract extensions shall be granted unless the Subrecipient can document circumstances beyond its control that prevented start of the activity. The PRDOH shall review the properly filed and documented circumstances which are alleged to have prevented the initiation of activity and exclusively reserves the right to decide if an extension is warranted, relative to the reasons stated as well as the prevailing circumstances.

ljho
ljho

WORR
WORR

F. Pre-Award Costs

Pre-agreement costs are eligible for payment under the terms and conditions of the Action Plan, Program Guidelines, and this Agreement, in addition to specific requirements for compliance with HUD.

Subrecipient may submit requests for reimbursement of those costs incurred for activities undertaken in accordance with this Agreement prior to the Effective Date of this Agreement, and in compliance with 24 C.F.R. § 570.200(h), 2 C.F.R. part 200, and HUD CDBG-DR Allocation Rules contained in the February 9, 2018 Federal Register Notice and subsequent notices as applicable. Specifically, pre-agreement costs may include, but are not necessarily limited to, the following: activities supporting program development, action plan development and stakeholder involvement support, and other qualifying eligible costs incurred in response to an eligible disaster covered under Public Law 115-56, as amended. These costs include the cost for salary, employer fringe benefits, and direct operating cost for each employee based on their individual percentage of time spent on the planning of the CDBG-DR program during a pay period.

IV. PERFORMANCE, MONITORING AND REPORTING

A. Monitoring

The PRDOH shall monitor the performance of the Subrecipient as necessary to ensure that the funds allocated to the Subrecipient are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this Agreement, including the timeframes and performance goals set forth in **Exhibit B** associated with the activities included in the Scope of Work (**Exhibit A**).

This review shall include: (1) reviewing financial and performance reports required by the PRDOH; (2) following-up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the PRDOH detected through audits, on-site reviews, and other means; and (3) issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the PRDOH as required by 2 C.F.R. § 200.521.

Substandard performance, as specified in policies and procedures reviewed and approved by PRDOH, shall constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within **fifteen (15) days** after being notified by PRDOH, PRDOH may impose additional conditions

on the Subrecipient and suspend or terminate this Agreement, disallow all or part of the cost of the activity or action not in compliance or initiate other remedies for noncompliance, as appropriate and permitted under 2 C.F.R. § 200.338.

B. Reporting

The Subrecipient shall submit regular monthly progress reports to the PRDOH, on the form and with the content to be specified and required by the PRDOH. The PRDOH shall later notify Subrecipient in writing the guidelines and requirements applicable to the submittal of the monthly progress reports, and such notification shall be deemed incorporated by reference to this Agreement.

Ijho
Ijho

V. EFFECTIVE DATE AND TERM

This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this Agreement is **thirty-six (36) months** from the date of its execution, ending in April 5, 2024.

WORR
WORR

The End of Term shall be the later of: (i) April 5, 2024. (ii) the date as of which the Parties agree in writing that all Close-Out Requirements[3] have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this Agreement.

The Subrecipient hereby acknowledges that this Agreement is subject to the grant agreement between the Government of Puerto Rico or the PRDOH, and HUD (the "Grant Agreement"); and the availability of the allocated CDBG-DR funds. The Subrecipient also acknowledges and agrees that any suspension, cancellation, termination or otherwise unavailability of the CDBG-DR allocation(s) shall result in the immediate suspension, cancellation, or termination of this Agreement, upon PRDOH's notice.

A. Contract Extensions:

PRDOH expects the NFM Program to operate for the life of the CDBG-DR grant. The time of performance under this agreement is **thirty-six (36) months**. PRDOH may, at its sole discretion, extend the Agreement's term, upon mutual written agreement of the parties. The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement, between PRDOH and HUD, unless the term of the initial Grant Agreement is extended by HUD, in which case the term of this Agreement cannot exceed the extension. More specific periods of performance for each scope of work within this agreement are shown in **Exhibit B** (Timelines and Performance Goals).

VI. BUDGET

A. Budget

The Subrecipient shall complete all activities in the Scope of Work of this Agreement (**Exhibit A**) in accordance with the Budget (**Exhibit C**) attached herein and made integral part of this Agreement (the "Budget") as such Budget may be amended from time to time.

3 "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

The PRDOH may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the PRDOH. Any amendments to the budget must be approved in writing and signed by the PRDOH and the Subrecipient.

B. Indirect Costs

Indirect costs invoiced, if any, must be consistent with the conditions set forth herein. Indirect costs may be charged to PRDOH under a negotiated indirect cost rate agreement with a federal cognizant agency, a de minimis indirect cost rate (for applicable entities), or an indirect cost proposal prepared in accordance with 2 C.F.R. part 200, subpart E, submitted to a federal cognizant agency, and approved by PRDOH in accordance with written policies and procedures, which shall be included in the Budget (**Exhibit C**).

ljho
ljho

WORR
WORR

C. Program Income

PRDOH reserves the right to authorize the Subrecipient to retain Program Income[4] to be used in eligible program activities as described in this Agreement. The Subrecipient shall notify PRDOH, within **twenty four (24) hours** of receipt, of any Program Income generated by activities carried out with CDBG-DR funds made available under this Agreement. All Program Income (as defined at 24 C.F.R. § 570.500) generated by activities carried out with the CDBG-DR Funds must be returned to PRDOH if retention of such is not previously authorized by PRDOH. Program Income is subject to all applicable CDBG-DR laws, regulations and PRDOH's policies and procedures for so long as it exists. Any interest earned on cash advances from the U.S. Treasury or interest paid on CDBG funds held in a revolving fund account is not Program Income and shall be remitted promptly to the PRDOH for transmittal to the U.S. Treasury no less frequently than annually.

All Program assets, other than Program Income (property, equipment, etc.), if any, shall revert to PRDOH upon termination of this Agreement in accordance with applicable Federal, laws, regulations, HUD Notices, policies, and guidelines.

PRDOH will later notify the Subrecipient in writing the applicable procedures for the return or reversion of Program Income and Program assets to the PRDOH, and such notification shall be deemed incorporated by reference to this Agreement.

D. Reversion of Assets

Use and Reversion of Assets. The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 C.F.R. part 84

---

[4] As defined in section VI(A)(19)(a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD), *Program Income* is:

> [...] gross income generated from the use of CDBG–DR funds, except as provided in subparagraph (d) of this paragraph, and received by a State or a Subrecipient of a State."
>
> [...]
>
> Program income includes, but is not limited to, the following: (a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG–DR funds; (b) Proceeds from the disposition of equipment purchased with CDBG–DR funds; (c) Gross income from the use or rental of real or personal property acquired by a State, local government, or Subrecipient thereof with CDBG–DR funds, less costs incidental to generation of the income (i.e., net income); (d) Net income from the use or rental of real property owned by a State, local government, or Subrecipient thereof, that was constructed or improved with CDBG–DR funds; (e) Payments of principal and interest on loans made using CDBG–DR funds; (f) Proceeds from the sale of loans made with CDBG–DR funds; (g) Proceeds from the sale of obligations secured by loans made with CDBG–DR funds; (h) Interest earned on program income pending disposition of the income, including interest earned on funds held in a revolving fund account; (i) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not low- and moderate-income, where the special assessments are used to recover all or part of the CDBG–DR portion of a public improvement; (j) Gross income paid to a State, local government, or a Subrecipient thereof, from the ownership interest in a for profit entity in which the income is in return for the provision of CDBG–DR assistance.

and 24 C.F.R. § 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

> The Subrecipient shall transfer to PRDOH any CDBG-DR funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
>
> Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 C.F.R. § 570.208 until **five (5) years** after expiration of this Agreement [or such longer period of time as PRDOH deems appropriate]. If the Subrecipient fails to use CDBG-DR assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay PRDOH an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG-DR funds for acquisition of, or improvement to, the property. Such payment shall constitute Program Income to the PRDOH. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the **five (5)-year** period or such longer period of time as PRDOH deems appropriate.

ljho
ljho

WORR
WORR

In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be Program Income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the PRDOH for the CDBG-DR program or (b) retained after compensating the PRDOH [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG-DR funds used to acquire the equipment.

VII. PAYMENT

A. Amount

This Agreement is based on the reimbursement of funds to the Subrecipient expended on approved CDBG-DR items. Funding is contingent on a CDBG-DR award to PRDOH or a Grant Agreement between the Government of Puerto Rico or the PRDOH, and HUD, and PRDOH's receipt of CDBG-DR funds. It is expressly agreed and understood that the total funding amount to be paid by the PRDOH to the Subrecipient under this Agreement shall not exceed the amount specified in the Budget (**Exhibit C**). Such payment shall be compensation for all allowable services required, performed and accepted under this Agreement. However, PRDOH reserves the right to reduce the funding amount if CDBG-DR funding is not provided at the currently anticipated levels and/or if the actual costs for the approved activities are less that those set forth in the Budget (**Exhibit C**).

Any additional funds to complete the services requested by the PRDOH to the Subrecipient shall be subject to funds availability and shall require an amendment to this Agreement.

B. Requests for Reimbursements

The Subrecipient shall submit to PRDOH requests for reimbursements of activities under this Agreement and consistent with the approved Budget (hereinafter, the "Request for

Reimbursement") and Scope of Work on a monthly basis.[5] Each Request for Reimbursement shall be broken down into requested reimbursements against the Budget line items specified in **Exhibit C.**

The Subrecipient shall submit Requests for Reimbursements to the PRDOH, on the form and with the content specified and required by the PRDOH. The Requests for Reimbursements must be submitted with all supporting invoices, bills, time sheets, monthly reports, and any other document necessary to justify the payment, or any other supporting document requested by PRDOH. The Request for Reimbursement must also be accompanied by documentation from the Subrecipient demonstrating that all procurements for which payment is requested have been made in accordance with this Agreement.

ljho
ljho

WORR
WORR

If PRDOH determines that the submitted Request for Reimbursement and supporting documents are acceptable, then the request for reimbursement shall be approved for payment. An authorized representative of the PRDOH shall review each Request for Reimbursement and, if adequate, shall approve and process its payment. Payments to the Subrecipient shall be made by check or electronic funds transfer (EFT). PRDOH reserves the right to conduct any audit it deems necessary.

In order for the Subrecipient to receive payment for any work performed hereunder, the following certification must be included in each Request for Reimbursement submitted to the PRDOH:

> **"Under penalty of absolute nullity, I hereby certify that no public servant of the government entity is a party to or has an interest of any kind in the profits or benefits to be obtained under the contract which is the basis of this invoice, and should he be a party to, or have an interest in, the profits or benefits to be obtained under the contract, a waiver has been previously issued. The only consideration to provide the contracted goods or services under the contract is the payment agreed upon with the authorized representative of the government entity. The amount that appears in the invoice is fair and correct. The work has been performed, the goods have been delivered, and the services have been rendered, and no payment has been received therefor."**

The PRDOH shall pay to the Subrecipient CDBG-DR funds available under this Agreement (See **Exhibit D,** "Funds Certification") based upon information submitted by the Subrecipient for allowable costs permitted under this Agreement and consistent with the approved Budget. Payments shall be made for eligible and allowed expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. PRDOH reserves the right to adjust payments in accordance with advance fund and program income balances available in Subrecipient accounts.

VIII. NOTICES

All notices, requests, approvals, and consents of any kind made pursuant to this Agreement shall be in writing and shall be deemed to be effective as of the date sent by certified mail, return receipt requested, or email. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

---

[5] Further and more specific details related to this matter are provided in the **Exhibit A** (Scope of Work), Section four (4), Task 6 (Submit Requests for Reimbursement and Provide Proof of Payment).

Communication and details concerning this Agreement shall be directed to the following contract representatives:

CDBG-DR Grantee:	Hon. William O. Rodríguez Rodríguez, Esq. Secretary Puerto Rico Department of Housing 606 Barbosa Avenue Juan C. Cordero Building Río Piedras, Puerto Rico 00918
Subrecipient:	Hon. Luis Javier Hernández Ortiz Municipality of Villalba P.O. Box 1506 Villalba PR 00766

ljho
ljho

WORR
WORR

IX. AMENDMENT AND TERMINATION

A. Amendments

This Agreement may be amended provided that such amendments make specific reference to this Agreement, comply with programmatic policies, procedures, and guidelines, are executed in writing and signed by a duly authorized representative of each party, and approved by PRDOH. Such amendments shall not invalidate this Agreement, nor relieve or release the Parties from their obligations under this Agreement. Unless specified, such amendments are not intended to effect nor will they constitute an extinctive novation of the obligations of the Parties under the Agreement and amendment.

This Agreement may be amended by the parties hereto, for the purpose of including any other CDBG-DR funded program included in the HUD-approved Hurricanes Irma and María current Action Plan.

The PRDOH may, in its discretion, amend this Agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications shall be incorporated only by written amendment signed by both the PRDOH and the Subrecipient.

However, PRDOH reserves the right to notify in writing to Subrecipient any applicable policies, procedures, regulations, requirements, guidelines, or change in law, whether existing or to be established, as well as changes and/or amendments thereof, and the notified policies, procedures, regulations, requirements, guidelines and laws shall be deemed incorporated by reference to this Agreement without the need of executing a separate written and signed amendment.

B. Suspension or Termination

1. Termination for Cause

The PRDOH may terminate this Agreement, in whole or in part, upon **thirty (30) days'** notice, whenever it determines that the Subrecipient has failed to comply with any term, condition, requirement, or provision of this Agreement. Failure to comply with any terms of this Agreement, include (but are not limited to) the following:

a. Failure to attend mandatory technical assistance and/or training, comply with any of the rules, regulations, or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, PRDOH's Program Guidelines, as applicable, policies or directives as may become applicable at any time;
b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
c. Ineffective or improper use of funds provided under this Agreement; or
d. Submission of reports by the Subrecipient to the PRDOH that are incorrect or incomplete in any material respect.

ljho
ljho

The Subrecipient shall have up to **thirty (30) days** to resolve issues listed above to the satisfaction of PRDOH.

WORR
WORR

2. Termination for Convenience of the PRDOH

The PRDOH may terminate this Agreement any time by a notice in writing from the PRDOH to the Subrecipient. If the Agreement is terminated by the PRDOH as provided herein, the Subrecipient shall be paid the total compensation as the allowable services actually performed up until the date of termination. Any compensation under this paragraph must be for documented costs that are CDBG-DR eligible, and allowable, allocable, and reasonable in accordance with Uniform Administrative Requirements.

This Agreement may also be terminated in whole or in part by either the PRDOH or the Subrecipient, or based upon Agreement by both the PRDOH and the Subrecipient in accordance with the requirements in 2 C.F.R. part 200, subpart D.

3. Notification and Recoupment of Costs Incurred Prior to Termination

The PRDOH shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect and any other notifications required under 2 C.F.R. part 200, subpart D. Upon termination, the PRDOH retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the PRDOH any improper expenditures no later than **thirty (30) days** after the date of termination. In the case of a Termination for Convenience only, the PRDOH may, at its sole discretion, allow the Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this Agreement, 2 C.F.R. part 200, subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.

4. 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 Subrecipient 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 Subrecipient shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. If the Subrecipient does not deliver to the PRDOH all information, studies, and other materials property of the PRDOH within the established timeframe, and the PRDOH invests any additional funds to reproduce the information, studies, and other materials not provided by the Subrecipient upon termination, then the PRDOH will disallow from payments to the Subrecipient under this Agreement the funds expended for the PRDOH to reproduce such information, studies, and other materials. 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.

5. 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 Subrecipient **five (5) days**' written notice of such suspension. Upon receipt of said notice the Subrecipient shall immediately discontinue all Services affected.

6. Immediate Termination

ljho
ljho

WORR
WORR

In the event the Subrecipient is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Subrecipient 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 Subrecipient of this Agreement or the Subrecipient 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 No. 2 of January 2, 2018, as amended, known as the "Anti-Corruption Code for the New Puerto Rico". The Subrecipient has a continuous obligation to report to PRDOH any proceedings which apply to the Subrecipient under this paragraph.

In the event that the grant of funds by HUD under any allocations of the CDBG-DR may be suspended, withdraw or canceled, this Agreement will be immediately terminated.

7. Period of Transition

Upon termination of this Agreement, and for **ninety (90) consecutive calendar days** thereafter (the Transition Period), Subrecipient agrees to make himself available to assist the PRDOH with the transition of services assigned to Subrecipient by the PRDOH. Subrecipient 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. PRDOH reserves the right to provide for the execution of a Transition Services Agreement for the Transition Period. In such instance, the Subrecipient will be paid at a reasonable, agreed upon, hourly rate for any work performed for the PRDOH during the Transition Period. Moreover, during that Transition Period, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH.

8. Availability of Funds

This Agreement is contingent upon the availability of funds from HUD. It is expressly understood and agreed that the obligation to proceed under this Contract is conditioned upon the receipt of Federal funds. If the funds anticipated for the continuing fulfillment of the Agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to PRDOH, the PRDOH have the right upon **ten (10) working days** written notice to the Subrecipient, to terminate this Agreement without damage, penalty, cost or expenses to PRDOH of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS

The "HUD General Provisions", which are attached to, and made an integral part of this Agreement as **Exhibit E**, set forth certain requirements imposed by HUD with respect to the PRDOH's Federal award or CDBG-DR Grant. The Subrecipient agrees to carry out its obligations under this Agreement in compliance with all the requirements described in the **Exhibit E** attached to this Agreement to the extent that such requirements are applicable to programs such as the program contemplated in this Agreement.

Ljho
Ljho

This Agreement also includes terms and conditions of the PRDOH's Federal Award or CDBG-DR Grant that are imposed on the Subrecipient, and the Subrecipient agrees to carry out its obligations in compliance with all the obligations described in this Agreement.

WORR
WORR

The "Special Conditions", which are attached herein, and made an integral part of this Agreement as **Exhibit F,** is reserved for particular circumstances, conditions or specific requirements as they arise from the demands of the Program.

A. General Compliance

The Subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the Subrecipient does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. part 58 and (2) the Subrecipient does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. part 52. The Subrecipient shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this Agreement, regardless of whether CDBG-DR funds are made available to the Subrecipient on an advance or reimbursement basis. This includes without limitation, applicable Federal Registers; 2 C.F.R. part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. § 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, Subrecipient shall comply, without limitation, those set forth in **Exhibit E.**

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

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

so as to allow for the terms contained herein to remain valid and consistent with such Federal, State, and local laws, regulations, HUD Notices, policies and guidelines.

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

B. Duplication of Benefits

IJHO
IJHO

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

WORR
WORR

C. Drug-Free Workplace

The Subrecipient must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the government wide implementation (2 C.F.R. part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. § 701-707).

D. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage and bonding from insurers licensed to conduct business in the Government of Puerto Rico to protect all contract assets from loss due to any cause, including but not limited to theft, fraud, and/or physical damage. The Government of Puerto Rico, the Puerto Rico Department of Housing and the U.S. Department of Housing and Urban Development shall be named as additional insured on all such insurance. The Subrecipient shall meet all other insurance requirements as the PRDOH may impose from time to time. In addition, all insurance carriers and bonding companies shall meet minimum size and financial stability/financial rating requirements as may be imposed by the PRDOH from time to time. Certificates of insurance shall be provided to the PRDOH and full and complete copies of the policies and/or bonds shall be provided to the PRDOH upon its request for same.

Notwithstanding the above, for construction or facility improvement performed by the subcontractors or third parties, the Subrecipient shall ensure that the subcontractors or third parties, at a minimum, comply with the bonding requirements at 2 C.F.R. part 200, subpart D.

E. Hold Harmless

The Subrecipient shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the PRDOH and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, attorneys' fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of this Agreement, and losses of any form or nature arising from or related to the conduct of the Subrecipient in the performance of the efforts called for in this Agreement. This indemnity shall expressly include, but is not limited to, the obligation

of the Subrecipient to indemnify and reimburse the PRDOH for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in the PRDOH's enforcement of this Agreement or any portion thereof against the Subrecipient or otherwise arising in connection with the Subrecipient's breach, violation, or other non-compliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.

F. PRDOH Recognition

Ijho

WORR

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

G. Logos Clause

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

H. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

The Subrecipient shall comply with the applicable provisions in 2 C.F.R. part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. part 200. These provisions include:

I. Financial & Program Management

The Subrecipient shall expend and account for all CDBG-DR funds received under this Agreement in accordance with 2 C.F.R. part 200 subpart D §§ 302 - 303 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

The Subrecipient shall administer its program in conformance with Cost Principles as outlined in 2 C.F.R. part 200 subpart E, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

J. Documentation and Record Keeping

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

a. Records providing a full description of each activity undertaken;
b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR programs, as modified by the HUD Notices;
c. Records required to determine the eligibility of activities;
d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR funds;

e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR program;
f. Financial records as required by (1) 24 C.F.R. § 570.502; and (2) 2 C.F.R. part 200;
g. Other records necessary to document compliance with Subpart K of 24 C.F.R. part 570.

K. Access to Records

Ljho
ljho

The Subrecipient shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and shall permit access to its books, records and accounts by the PRDOH, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

WORR
WORR

L. Record Retention and Transmission of Records to the PRDOH

The Subrecipient shall retain all official records on programs and individual activities shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 applies to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion of the action and resolution of all issues or the end of the regular **five (5) year** period, whichever is longer. (See 2 C.F.R. § 200.333 and 24 C.F.R. § 570.490(d).)

Records shall be made available to PRDOH upon request.

M. Client Data and Other Sensitive Information

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

The Subrecipient must comply with 2 C.F.R. § 200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.82, and other information HUD or the PRDOH designates as sensitive or the Subrecipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. Additionally, the Subrecipient must comply with the *PRDOH CDBG-DR Personal Identifiable Information Policy,* as found in the CDBG-DR Website (www.cdbg-dr.pr.gov), which is herein included and made integral part of this Agreement, as it may be updated from time to time.

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

N. Close-Out

The Subrecipient obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term

is defined in section VI (A)(19)(a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD)), balances, and accounts receivable to the PRDOH), determining the custodianship of records, and the Subrecipient certification of compliance with the terms of this Agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG-DR funds, including Program Income.

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

ljho
ljho

WORR
WORR

O. Audits and Inspections

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

P. Single Audit

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

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

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

Q. Inspections and Monitoring

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

R. Corrective Actions

The PRDOH may issue management decisions and may consider taking enforcement actions including but not limited to corrective actions in 24 C.F.R. § 570.910 if noncompliance is detected during monitoring and audits. The PRDOH may require the Subrecipient to take timely and appropriate action on all deficiencies pertaining to the

Federal award provided to the Subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. A timely and appropriate action shall be predicated on reasonable standard wherein the Subrecipient utilizes all available resources to correct the noted issue or issues. In response to audit deficiencies or other findings of noncompliance with this Agreement, the PRDOH may impose additional conditions on the use of the CDBG-DR funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

S. Procurement and Contractor Oversight

ljho
ljho

The Subrecipient shall comply with procurement requirements included in the *Procurement Procedures and Review* task under **Exhibit A** of this Agreement.

WORR
WORR

PRDOH reserves the authority and discretion to require PRDOH's written consent prior to the execution of any contracts by the Subrecipient. The imposition of this prior written consent requirement will be determined based on the Subrecipient's capacity to conduct such processes in compliance with PRDOH's procurement policies and procedures.

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

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

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

T. Nondiscrimination

The Subrecipient shall comply with 24 C.F.R. part 6, which implements the provisions of section 109 of title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. 5309). Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

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

The Subrecipient shall ensure that all CDBG-DR activities conducted by itself or its contractors are consistent with the applicable federal and local legal provisions, regulations, and policies that prohibit discrimination on the basis of race, creed, color, national origin, religion, sex, disability, familial status, actual or perceived sexual orientation or gender identity, marital status, or age, as established in the CDBG-DR Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs.[6]

U. Architectural Barriers Act and the Americans with Disabilities Act

Ljho
Ljho

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

WORR
WORR

The Architectural Barriers Act of 1968 (42 U.S.C. §§ 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that ensure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 C.F.R. § 40.2 or the definition of "building" as defined in 41 C.F.R. § 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. §§ 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 C.F.R. part 40 for residential structures, and appendix A to 41 C.F.R. part 101-19, subpart 101-19.6, for general type buildings).

The Americans with Disabilities Act (42 U.S.C. § 12131; 47 U.S.C. § 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

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

V. Title VI of the Civil Rights Act of 1964 (24 C.F.R. part 1)

1. General Compliance:

The Subrecipient shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352), as amended and 24 C.F.R. §§ 570.601 - 570.602. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this Agreement. The specific nondiscrimination provisions at 24 C.F.R. § 1.4 apply to the use of these funds. The Subrecipient shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by title VI of the Civil Rights Act of 1964 or 24 C.F.R. part 1, or because he has made a complaint, testified, assisted, or participated in

[6] Follow the link for document access at the CDBG-DR Website: https://cdbg-dr.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/.

any manner in an investigation, proceeding, or hearing under 24 C.F.R. part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 2 C.F.R. part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

2. Assurances and Real Property Covenants:

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

ljho
ljho

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

WORR
WORR

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

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

If the Subrecipient receives real property interests or funds or for the acquisition of real property interests under this Agreement, to the extent that rights to space on, over, or under any such property are included as part of the program receiving such assistance, the nondiscrimination requirements of this part 1 shall extend to any facility located wholly or in part in such space.

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

The Subrecipient shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (5) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the Subrecipient procures property or services under this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. § 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

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

ljho
ljho

4. Notifications

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

WORR
WORR

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

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

W. Labor Standards

The Subrecipient shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this Agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, as amended (40 U.S.C. § 3141, et seq.), and 29 C.F.R. part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than 8 units.

The Subrecipient agrees to comply with the (18 U.S.C. § 874) and it's implementing regulations of the U.S. Department of Labor at 29 C.F.R. part 3 and part 5. The Subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the PRDOH for review upon request.

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

X. Section 3 of the Housing and Urban Development Act of 1968

The Subrecipient shall comply with the provisions of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. § 1701u, and thereby implementing its regulations set forth in 24 C.F.R. § 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon Grantee, Subrecipient, and any of Subrecipient's subrecipient, contractors, and subcontractors. Failure to fulfill these requirements shall subject Grantee, Subrecipient, and any of Subrecipient's subrecipient, contractors, and subcontractors, as well as their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. Subrecipient certifies and

agrees that no contractual or other impediment exists that would prevent compliance with these requirements.

Subrecipient further agrees to comply with the Section 3 requirements stated below and to include verbatim this language in all subsequent subrecipient Agreements, contracts, and subcontracts executed under this Agreement:

"A. The work to be performed under this Agreement is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The Parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. part 135, which implement Section 3. As evidenced by their execution of this 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 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.

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.

G. 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)."

Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-DR funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-DR funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area of the neighborhood in which the project is located, and to low- and very low- income participants in other HUD programs.

ljho

WORR

The Subrecipient agrees to submit, and shall cause and review its contractors and subcontractors to submission of recordkeeping efforts and quarterly reports to the PRDOH detailing the number of new employees hired, the number of new Section 3 employees hired, the number of construction subcontracts , the number of subcontracts provided to Section 3 businesses, the number of non-construction contracts, the number of non-construction contracts to Section 3 Businesses, and any affirmative efforts made to direct hiring efforts to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing during the previous quarter.

Subrecipient certifies and agrees that no contractual or other legal impediment exists that would prevent compliance with these requirements.

Y. Conduct

1. Contracts

a. Approvals: PRDOH reserves the authority and discretion to require PRDOH's written consent prior to the execution of any contracts by the Subrecipient. The imposition of this prior written consent requirement will be determined based on the Subrecipient's capacity to conduct such processes in compliance with PRDOH's procurement policies and procedures.

b. Monitoring: As applicable, the Subrecipient will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content: The Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any

contract executed in the performance of this Agreement, as applicable.

d. Selection Process: The Subrecipient shall ensure that all contracts awarded after the execution of this Agreement and in the performance of such, follow the Procurement Manual for CDBG-DR Programs, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) which is herein included and made integral part of this Agreement, as it may be updated from time to time. Executed copies of all subcontracts shall be forwarded to the PRDOH along with documentation concerning the selection process.

ljho
ljho

e. Notification: The Subrecipient shall notify and provide a copy of any and all contracts related to this Agreement and CDBG-DR funds to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution. Additionally, the Subrecipient shall provide a copy of any and all subcontracts executed by its Contractors to the Contract Administration Area of the PRDOH CDBG-DR Legal Division within **three (3) days** of its execution.

WORR
WORR

2. Hatch Act

The Subrecipient shall comply with the Hatch Act, 5 U.S.C. §§ 1501 – 1508, and shall ensure that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

3. Conflict of Interest

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

a. It is presumed that the Subrecipient is subject to state and local ethic laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this Agreement.
b. In the event the Subrecipient is not, the Subrecipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this Agreement. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would rise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or Parties to sub Agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.
c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or

Agreement with respect to the CDBG-DR assisted activity, or with respect to the proceeds from the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of **two (2) years** thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the Subrecipient, or any designated public agency.

d. Clause of Governmental Ethics Certification of Absence of Conflict of Interests - The Subrecipient certifies that: (1) No public servant of the PRDOH has pecuniary interest in this contract. (2) No public servant of the PRDOH has solicited or accepted, directly or indirectly, for him (her), for any member of his family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. (3) No public servant of the PRDOH related to this transaction, asked for or accepted any good of economic value, from any person or organization as payment for the duties and responsibilities of his employment. (4) No public servant of the PRDOH has solicited, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his(her) obligations and performance of said public employment, to influence or favor any organization. (5) No public servant of the PRDOH has kinship relationship, within the fourth degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional decisions of this Agreement.

ljho
ljho

WORR
WORR

Z. Citizen Grievances

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

AA. Technical Assistance and Trainings

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

BB. Disaster Relief Account

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

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

XI. CDBG-DR POLICIES AND PROCEDURES

In addition to what is established in this Agreement, the Grantee shall comply with all CDBG-DR program specific and general policies and procedures, including, but not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, Procurement Manual for CDBG-DR Programs, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov), which are herein included and made integral part of this Agreement, as they may be updated from time to time, and reporting requirements as established by the PRDOH.

ljho

XII. FORCE MAJEURE

WORR

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, any *Force Majeure* including inclement weather, herein collectively referred to as *Force Majeure* during the term of this Agreement, neither the PRDOH nor the Subrecipient shall be liable to the other party for nonperformance during the conditions created by such event.

The Subrecipient shall notify, as soon as possible, the PRDOH of the occurrence of the *Force Majeure* event and describe in reasonable detail, the nature of the Force Majeure event.

XIII. INDEPENDENT CONTRACTOR

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the efforts to be performed under this Agreement. The PRDOH shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent entity.

XIV. ASSIGNMENT OF RIGHTS

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the PRDOH.

XV. SEVERABILITY

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

XVI. SECTION HEADINGS ANDSUBHEADINGS

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

XVII. CONSOLIDATIONS, MERGERS, CHANGE OF NAME, OR DISSOLUTIONS

A. Consolidation or Merger

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for a consolidation or merger with another entity (private or public), by its discretion or otherwise, written notice of such decision or event shall be delivered to the PRDOH **at least fifteen (15) days prior to the effective date** of the

consolidation or merger. The notice shall include, but not limited to, a description of: the expected effective date of the consolidation or merger; name of each of the constituent entities moving to consolidate or merge into the single resulting or surviving entity; the proposed name of the resulting entity (in case of a consolidation) or the name of the surviving entity (in case of a merger) if necessary; reference to the projected capacity of the resulting or surviving entity to comply with the terms, conditions, obligations, tasks, services, and performance goals or requirements included in the Agreement as well as its Exhibits or Attachments; and a brief summary of the proposed plan to achieve the transition of duties (Scope of Work or Scope of Services), tasks, and performance goals or requirements to the resulting or surviving entity.

ljho

Upon the consolidation or the merger becoming effective, and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment. **No amendment to the Agreement will be necessary if the Subrecipient, Contractor, or Subcontractor becomes the surviving entity following a merger.**

WORR

Failure to comply with any of the before mentioned conditions, may result in the activation of the termination clauses provided in the Agreement.

B. Change of Name

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH initiates a change of name process, written notice of such decision or event shall be delivered to the PRDOH **at least fifteen (15) days** prior to the effective date of such event. The notice shall include, but not limited to, a description of: the expected effective date of the change of name; the proposed name; inform of any change of address; and reference of any change in the capacity of the entity to comply with the terms, conditions, obligations, tasks, services, and performance goals or requirements included in the Agreement, as well as its Exhibits or Attachments.

Upon the change of name becoming effective, and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the Agreement may follow. The Amendment would include, but not limited to, modifications to the clauses that refer to the identity, personal circumstances, address, and any other information related to the signing party deemed relevant by PRDOH for the execution of the Amendment.

Failure to comply with any of the before mentioned conditions, may result in the activation of the termination clauses provided in the Agreement.

C. Dissolution

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the Agreement with the PRDOH moves for dissolution of the entity, written notice of such decision or event shall be delivered to the PRDOH **at least fifteen (15) days** prior to the effective date of such event. The notice shall include, but not limited to, a description of the expected effective date of the dissolution; and contact information of one or more of its directors, officials or agents. Upon dissolution becoming effective, and supporting evidence of such event is notified to PRDOH, termination of the Agreement will follow. Consequently, the signing party acknowledges and agrees to provide to the PRDOH, after termination of the Agreement, the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the tasks or services to the PRDOH or a third party designated by the PRDOH. Moreover, all finished or unfinished records (files, data, work product) connected with this Agreement will be turned over to PRDOH following the Agreement termination.

XVIII. NON-WAIVER

The PRDOH's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the PRDOH to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XIX. BANKRUPTCY

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

ljho
ljho

XX. GOVERNING LAW: JURISDICTION

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, San Juan Part.

WORR
WORR

XXI. COMPLIANCE WITH LAW

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

XXII. SUBROGATION

The Subrecipient acknowledges that funds provided through this Agreement are Federal funds administered by HUD under the CDBG-DR Program and that all funds provided by this Agreement are subject to audit, disallowance, and repayment. Any disagreement with adverse findings may be challenged and subject to Federal regulation, however, the Subrecipient shall promptly return any and all funds to the PRDOH, which are found to be ineligible, unallowable, unreasonable, a duplication of benefits, or non-compensable, no matter the cause. This clause shall survive indefinitely the termination of this Agreement for any reason.

XXIII. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this Agreement to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this Agreement and any subsequent amendment hereto. The services object of this Agreement may not be invoiced or paid until this Agreement has been registered by the PRDOH at the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

XXIV. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement among the Parties for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties with respect to this Agreement.

XXV. FEDERAL FUNDING

The fulfillment of this Agreement is based on those funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures under this Agreement must be made in accordance with this Agreement, the policies and

procedures promulgated under the CDBG-DR Program, and any other applicable laws. Further, Subrecipient acknowledges that all funds are subject to recapture and repayment for non-compliance.

XXVI. RECAPTURE OF FUNDS

PRDOH may recapture payments it makes to Subrecipient that (i) exceed the maximum allowable rates; (ii) are not allowed under applicable laws, rules, or regulations; or (iii) are otherwise inconsistent with this Agreement, including any unapproved expenditures. Subrecipient must refund such recaptured payments within **thirty (30) days** after the PRDOH issues notice of recapture to Subrecipient.

ljho
ljho

XXVII. OVERPAYMENT

Subrecipient shall be liable to the PRDOH for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Agreement. Subrecipient shall reimburse such disallowed costs from funds other than those Subrecipient received under this Agreement.

WORR
WORR

XXVIII. 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. If the Agreement is not executed by the PRDOH within **thirty (30) days** of execution by the other party, this Agreement shall be null and void.

XXIX. SURVIVAL OF TERMS AND CONDITIONS

The terms and conditions of this Agreement related to the following subjects shall survive the termination or expiration of this Agreement: interpretive provisions; consideration; warranties; general affirmations, federal assurances, federal and state certifications; CDBG-DR and state funding, recapture of CDBG-DR and/or state funds, overpayment of CDBG-DR and/or state funds; ownership and intellectual property, copyright; records retention methods and time requirements; inspection, monitoring and audit; confidentiality; public records; indemnification and liability; infringement of intellectual property rights; independent contractor relationship; compliance with laws; notices; choice of law and venue; severability; dispute resolution; consolidations, merger, change of name, and dissolution. Terms and conditions that, explicitly or by their nature, evidence the Parties' intent that they should survive the termination or expiration of this Agreement shall so survive.

(THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK)

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

PUERTO RICO DEPARTMENT OF HOUSING, CDBG-DR Grantee

By: William O. Rodríguez Rodríguez
William O. Rodríguez Rodríguez (Apr 6, 2021 13:25 EDT)
Name: William O. Rodríguez Rodríguez, Esq.
Title: Secretary

SUBRECIPIENT

By: Luis Javier Hernández Ortiz
Luis Javier Hernández Ortiz (Apr 6, 2021 11:19 EDT) (Signature)
Name: Hon. Luis Javier Hernández Ortiz
Title: Mayor of the Municipality of Villalba
DUNS: 782182919

GOVERNMENT OF PUERTO RICO
Department of Housing

EXHIBIT A

SCOPE OF WORK

NON-FEDERAL MATCH PROGRAM

MUNICIPALITY OF VILLALBA

ljho
ljho

1. Program Overview/Background

WORR
WORR

Hurricane Irma (EM-3384/DR-4336) and Hurricane María (DR-4339), catastrophically devastated Puerto Rico in September 2017. In response, the Federal Emergency Management Agency (FEMA) and other Federal awarding agencies began to provide immediate Federal disaster relief assistance to Puerto Rico, its municipalities, and eligible private nonprofit organizations to address the wide range of response and recovery needs facing the Island. Federal grant programs come with a Non-Federal share, or "local match," requirement, which can be met with HUD CDBG-DR funds. To facilitate and expedite recovery from Hurricanes Irma and María, the PRDOH Non-Federal Match Program (**NFMP**) has been established to use CDBG-DR dollars to supplement Federal grant funding provided to the eligible subrecipients Island-wide. This Program and Agreement address the local match requirements that subrecipients must meet to participate in the FEMA Public Assistance (PA) program and identifies items PRDOH needs from subrecipients so that PRDOH can provide HUD-compliant match payments for eligible work for this entity.

The primary partners to PRDOH in the NFMP are the Central Office for Recovery, Reconstruction and Resilience (COR3) and subrecipients who for Hurricane Irma have a twenty-five percent (25%) cost share requirement and for Hurricane María, generally a ten percent (10%) cost share for FEMA PA projects. PRDOH will be providing the majority of cost share for the FEMA Project Worksheets (PWs) associated with these disasters by working directly with COR3 to access data and provide the match payment and with subrecipients who will provide documentation required by HUD so that PRDOH can ensure full HUD compliance and reimburse subrecipients for their cost share.

2. National Objective

PRDOH anticipates that three (3) national objectives will be used in the NFMP. PRDOH will work with entities who are funded through this Program to evaluate

the service area and determine the national objective for each project. PRDOH anticipates that the two national objectives that will be used most frequently are Low-and-moderate-income (**LMI**)-area benefit and Urgent Need (**UN**).

Projects in the Program will meet of one of these national objectives:

- Benefit to **LMI** Persons (24 C.F.R. § 570.483(b))
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))

ljho
ljho

Subrecipient shall certify, in the form requested by PRDOH, the qualifying activities in order to evidence that one of the three (3) National Objectives has been met. Notwithstanding the above, the Subrecipient agrees to prioritize serving the LMI national objective.

WORR
WORR

3. Program Description

Like PRDOH's relationship with HUD, COR3 works directly with FEMA to implement all FEMA recovery programs, including the PA program, which is covered by this Agreement. To minimize the burden on subrecipients of providing similar documentation multiple times to both COR3 and FEMA, and to simplify the match reimbursement process, PRDOH and COR3 are collaborating to implement this program, and COR3 has provided PRDOH with access to data and documentation that has previously been compiled and submitted to COR3 and FEMA.

Due to differing programmatic requirements between FEMA Public Assistance and CDBG-DR, PRDOH will in some cases need to work directly with subrecipients to obtain additional documentation that is not contained in COR3 or FEMA's systems.

The FEMA PA Program is one of the largest FEMA's recovery programs in terms of total dollars, as it provides grants to units of governments and nonprofit entities to rebuild and repair disaster-impacted facilities. FEMA categorizes work based on the type of facility that needs to be repaired or replaced following a disaster.

These categories are:

FEMA Public Assistance Category	**Work Type**
Category A – Debris Removal	Emergency Work
Category B – Emergency Protective Measures	Emergency Work
Category C – Roads & Bridges	Permanent Work
Category D – Water Control Facilities	Permanent Work

Category E – Building and Equipment	Permanent Work
Category F – Utilities	Permanent Work
Category G – Parks, Recreational, and Other	Permanent Work

As noted above, PA projects can also be categorized as either being for emergency, response-related work or for permanent, long-term recovery work. Emergency work takes place immediately after a disaster event and falls into two (2) FEMA categories while permanent work is done to repair or replace a damaged facility or asset and falls into five categories. PA Applicants may have work at the same facility that is both response and recovery related; however, FEMA, when obligating funds, clearly segregates the scopes of work, so that funding is not being duplicated for the same scope.

tjho

WORR

4. Tasks

The Subrecipient agrees to complete all the required tasks described below, for which the PRDOH will provide the necessary technical assistance to complete them:

Task 1. Project Pre-evaluation Submission

Activity: The Subrecipient shall submit for pre-evaluation to the PRDOH any additional project worksheet (PW) that has been obligated by FEMA after this Agreement has been executed or that have undergone a version change.

This shall include obligated PWs or versions that fall under FEMA Public Assistance Categories A through G, and comply with any of the following parameters:

- PW is not included under the Subrecipient Agreement
- PW version is not included under the Subrecipient Agreement

The PRDOH will subsequently evaluate all information submitted by the Subrecipient to determine preliminary eligibility of each PW and notify the Subrecipient of their eligibility determination. Those PWs determined eligible will be included as part of the Subrecipient Agreement by means of an amendment.

Deliverable: The Subrecipient shall submit a Pre-evaluation Form through the system or platform provided by PRDOH. The Subrecipient shall provide to PRDOH all the information required for such PW, as established in the system or platform and instructed by the PRDOH.

Task 2. Access to Documentation

Activity: A key area of compliance for HUD CDBG-DR projects is record-keeping and documenting that during HUD monitoring, all items needed to substantiate a reimbursement request are available for review. While PRDOH will first seek to obtain most documentation from materials that the Subrecipient has previously provided to COR3 and FEMA, some HUD-required materials may not be in the documentation previously provided and will need to be obtained directly from Subrecipients. This documentation may include detailed information on procurement processes and proof of payments to contractors and employees. PRDOH expects that most of these materials will be able to be provided through electronic means.

ljho
ljho

Deliverable: Throughout the life of program, the Subrecipient will, as needed, provide PRDOH with the documentation PRDOH requires to determine program eligibility and compliance with HUD CDBG-DR specific requirements so that PRDOH can issue a match payment to the Subrecipient for CDBG-DR eligible work. These requirements include environmental review, Civil Rights requirements, as defined below, the Section 3, MWBE, and Davis Bacon, among others.

WORR
WORR

Task 3. Participation in Mandatory Technical Assistance

Activity: A focus area for HUD is ensuring that PRDOH provides Technical Assistance (TA) to subrecipients who receive CDBG-DR funding. PRDOH will provide TA to Subrecipients throughout the life of the Program in order to ensure that areas that could pose challenges for documenting full programmatic compliance are addressed. TA workshops will initially cover broad federal cross-cutting areas that are applicable to both HUD and FEMA. These will be followed by TA on HUD-specific topics that are pertinent to applicable phases of Subrecipients' project portfolios.

Deliverable/Outcome: The Subrecipient agrees to participate in the Technical Assistance workshops provided by the PRDOH to best ensure CDBG-DR compliance throughout the life of the Program. In the event that Subrecipient decides to not participate in technical assistance workshops, PRDOH reserves the right to place on hold, suspend or terminate the Agreement and not provide corresponding reimbursement under the Program.

Task 4. Follow Procurement Procedures & Review

Activity: A key area of compliance is ensuring that procurements are done in a manner compliant with all applicable CDBG-DR requirements. Due to

the considerable amount of permanent work that will take place and the amount of CDBG-DR funding that is being requested to cover the non-federal share for these projects, PRDOH will review all solicitation materials to ensure that they are HUD and PRDOH-compliant.

The Subrecipient hereby agrees to comply with all procurement procedures set forth by PRDOH in compliance with CDBG-DR funding regulations for any procurements published for any work that is expected to receive CDBG-DR funding. Subrecipient procurement processes will be evaluated by the Program taking into account the following:

ljho
ljho

a. Projects that started on or before December 8, 2017 must follow 2 C.F.R. §§ 200.318 – 200.326 Procurement Standards, exempt from state requirements as stated in Executive Order 2017-047 and Executive Order 2017-053.

WORR
WORR

b. Projects that started after December 8, 2017 and before September 20, 2018 must follow 2 C.F.R. § 200.318 – 200.326 Procurement Standards and state or municipal law requirements.

c. Projects that started after September 20, 2018 and before September 3, 2020, must follow the requirements set forth in the Puerto Rico Department of Housing (PRDOH) Procurement Manual and Contractual Requirements for CDBG-DR, Regulation No. 9075.[1]

d. Projects that started after September 3, 2020 must follow the requirements set forth in the PRDOH Procurement Manual for the CDBG-DR Program, Regulation No. 9205 (the "Procurement Manual").

Furthermore, the Subrecipient understands that, if the appropriate procurement procedures are not followed, they may not be considered eligible for corresponding match payment.

[1] On August, 4, 2020, PRDOH approved the "Procurement Manual for the CDBG-DR Program", Regulation No. 9205, effective on September 3, 2020 (Regulation No. 9205), which repealed the "Procurement Manual and Contractual Requirements for CDBG-DR", Regulation No. 9075 of February 26, 2019 (Regulation No. 9075); and any other previous regulation, manual, administrative order, or circular letter regarding this matter with conflicting provisions. The Procurement Manual Frequently Asked Questions was also approved on August 25, 2020. All ongoing procurements initiated on or after September 20, 2018 but before September 3, 2020, must abide by the repealed Regulation No. 9075.

Deliverable/Outcome: The Subrecipient agrees to provide all procurement documentation to PRDOH in a timely manner to allow for review and potential modifications, as applicable. In addition, PRDOH reserves the right to review post-solicitation documentation (**prior to contract award**) to ensure compliance with applicable regulations, principles of full and open competition, and PRDOH's established procurement policy for Subrecipients under the Program. The Subrecipient agrees to revise and/or amend any procurement or corresponding contractual documentation in compliance with the PRDOH Procurement Manual for CDBG-DR Programs.

Ljho
ljho

For procurement processes that were carried-out for projects completed prior to September 20, 2018, the Subrecipient will provide to PRDOH an electronic copy of its pre-disaster procurement policy, any disaster-related orders, resolutions, or modifications to procurement terms and conditions, and all subsequent policy revisions within thirty (30) days of the Effective Date of this agreement.

WORR
WORR

Task 5. Compliance with CDBG-DR Requirements: Section 3 & Minority/Women Owned Business Enterprises (MWBE) Best Faith Efforts and Davis Bacon

Activity: Subrecipient agrees to participate in outreach events and utilize PRDOH resources to ensure compliance with Section 3, MWBE, and other applicable hiring goals for projects funded through the program. Subrecipient agrees to timely file all Section 3 compliance documentation, including but not limited to submission of any and all required reports and supporting documentation.

A key difference between FEMA and HUD funding, and an area of focus for HUD, is ensuring that best faith efforts for Section 3 take place and that Section 3, MWBE, and Davis Bacon reporting is ensured by both subrecipients and contractors.

One of the best ways to ensure that the spending targets and compliance is met is that prior to procurements taking place, Section 3 and/or MWBE firms are considered and built into project teams. Throughout the life of the program, PRDOH will provide TA to subrecipients on Section 3, MWBE, and Davis Bacon requirements so that the overall program targets for PRDOH are met and best faith efforts are documented.

Deliverable/Outcome: Subrecipients will be required to participate in the Technical Assistance workshops and may be required by PRDOH to participate or conduct other outreach events that are designed to ensure that CDBG-DR compliance with these requirements is achieved. In the event that the Subrecipient decides to not participate in technical assistance

workshops or engage in strategies that PRDOH develops to meet these goals of the program, PRDOH reserves the right to place on hold, suspend and/or not provide reimbursement for PA projects being undertaken by Subrecipient.

Task 6. Submit Requests for Reimbursement and Provide Proof of Payment

Activity: Upon receipt of the Payment Recommendation Form from the NFMP, the Subrecipient agrees to submit a Request for Reimbursement, uploaded to PRDOH's Financial Management System. The Subrecipient will be required to set-up a unique account through this system and provide all required information, including information related to dedicated bank accounts.

Ljho
Ljho

A key area of focus for HUD is ensuring that CDBG-DR projects are reimbursement-based and that contractors who undertook work are paid for services provided. HUD requires that all documented costs were incurred and completed. As a result, PRDOH cannot request CDBG-DR reimbursement for work that the Subrecipient undertook until it has obtained proof that the work was performed, completed and that this information is uploaded to PRDOH databases.

WORR
WORR

Deliverable: The Subrecipient shall submit to PRDOH the required documentation to support and request a payment under the Program. The PRDOH will provide technical assistance and guidance to instruct the Subrecipient about the required documentation. The Subrecipient shall submit to PRDOH proof of payment or work completed, as required and instructed by the PRDOH.

For match payments on projects where work has already been completed, Subrecipient will provide PRDOH electronic copies documenting proof of payment to vendors within sixty (60) days of the Effective Date of this Agreement or completion of the respective FEMA Project Worksheet's scope of work, whichever is later. Such proof of payment documentation will be provided in an electronic form sufficient to document that an electronic funds transfer (EFT) was made from Subrecipient to all vendors for costs potentially eligible for reimbursement under this program. Alternatively, proof of purchase may also be provided by electronic copies (PDF) of emitted checks corresponding to such payments.

Task 7. Reporting

Activity: The Subrecipient will be responsible to submit monthly reports to the PRDOH to inform status of tasks, project worksheet (PW) progress and metrics, and match payment status. Each report must be prepared in compliance with PRDOH's reporting requirements, using the report template provided by the Program.

Deliverable: Monthly reports shall be submitted to PRDOH upon the 10th day of the subsequent month for which the reporting period covers. Up to date reports will be required to be on file for the approval for payment of any cost share invoices.

ljho
ljho

Task 8. Closeout

Activity: The Subrecipient shall prepare a documentation package which will include all deliverables, reports, proofs of payments, and any other documents that the PRDOH may consider necessary to summarize, support and closeout the Subrecipient's tasks completed and match payments provided.

WORR
WORR

Deliverable: As required by the PRDOH, the Subrecipient will be responsible of submitting all the required documentation to record, reconcile and closeout the Subrecipient Agreement.

5. Time Performance

PRDOH expects the NFM Program to operate for the life of the CDBG-DR grant. The time of performance under this agreement is **thirty-six (36) months.** PRDOH may, at its sole discretion, extend the Agreement's term, upon mutual written agreement of the parties. The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement, between PRDOH and HUD, unless the term of the initial Grant Agreement is extended by HUD, in which case the term of this Agreement cannot exceed the extension. More specific periods of performance for each scope of work within this agreement are shown in **Exhibit B** (Timelines and Performance Goals).

6. Budget

The NFMP is providing Subrecipient an initial amount of funds as specified on **Exhibit C** (Budget). As additional FEMA Project Worksheets are obligated, PRDOH may budget additional funding through execution of budget modifications by way of an amendment. PRDOH reserves the right to de-obligate funding on a

PW level should the PW fail to fully comply with CDBG-DR requirements or if the Subrecipient is deficient in following the established processes and/or submitting any additional information required within the timeframes stipulated under this Agreement.

All funds provided to the Subrecipient are for Activity Delivery and Project Costs, which will be used for the coordination of non-federal share payments that the Subrecipient has incurred. There are no Administrative, Planning, or Staff Costs in this budget.

ljho
ljho

WORR
WORR

GOVERNMENT OF PUERTO RICO
Department of Housing

EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

NON-FEDERAL MATCH PROGRAM

MUNICIPALITY OF VILLALBA

ljho
ljho

WORR
WORR

TASKS	DESCRIPTION	TIMEFRAME DATES	DELIVERABLES
Project Pre-Evaluation Submission	After receiving access to Pre-Evaluation platform, the Subrecipient will complete and submit a Pre-Evaluation Form including each project (PW) or project version to be evaluated for approval by PRDOH.	As deemed necessary by the Subrecipient. Newly obligated PW's will undergo Pre-eligibility review before potential incorporation into an SRA Amendment.	Submission of the Pre-Evaluation Form for review through the PRDOH online platform.
Access to Documentation	The Subrecipient shall provide PRDOH with the documentation required to determine program eligibility and compliance with CDBG-DR specific requirements.	**Within 10 days** after receiving a document request from PRDOH.	Submit the requested documentation to the PRDOH.
Provide Procurement Policy and Emergency Declarations	The Subrecipient shall provide the PRDOH with all documentation detailing pre-disaster and current procurement procedures.	**Within 30 days** of Subrecipient Agreement execution.	If not already submitted through the COR3 systems, the Subrecipient shall provide to PRDOH electronic copies of its pre-disaster and current procurement policies, any disaster-related orders, resolutions, or modifications to procurement terms and conditions, and all subsequent policy revisions.
Participate in Mandatory Technical Assistance	Subrecipient agrees to participate in Technical Assistance workshops provided by the PRDOH to best ensure CDBG-DR compliance throughout the life of the Program.	As established on the Exhibit F (Special Conditions) of the Agreement.	Participation in mandatory TA will be documented by PRDOH upon the Subrecipient's participation. No deliverable is required.
Follow Procurement Procedures and Review	The Subrecipient shall comply will all procurement procedures set forth by the PRDOH in compliance with CDBG-DR	Throughout the duration of the Agreement.	The Subrecipient shall submit all documentation related to completed and

	funding regulations for any procurement processes under projects (PW) included under the Agreement. See Exhibit A (Scope of Work) for additional information regarding compliance timeframes.	30 days prior to the publication of a prospective procurement process and subsequently upon the completion of the procurement process.	prospective procurement processes carried out for projects to be considered for CDBG-DR match payments.
Compliance with CDBG-DR Requirements	Subrecipient must comply with all HUD, PRDOH and CDBG-DR requirements, including but not limited to Section 3, Section 504, Fair Housing Act, Minority/Women Owned Business Enterprises, and Davis Bacon Act, as applicable. Subrecipient shall reference specific compliance timelines included in the Program Guidelines.	As established in the Agreement and required by the PRDOH and the CDBG-DR Program.	The subrecipient shall submit all reporting required to comply with CDBG-DR requirements within the compliance timeframes established by each process.
Submit Requests for Reimbursements and Provide Proof of Payments	The Subrecipient shall submit to PRDOH all required documentation to support and request a match payment, in addition to any required proof of payments.	Submit Requests for Reimbursements and provide Proof of Payments within 30 days of completion of the work being invoiced.	The Subrecipient shall submit to PRDOH all required documentation to support and request a match payment, in addition to any required proof of payments.
Reporting	The Subrecipient will be responsible to submit monthly reports to the PRDOH to inform status of tasks and match payment status.	Upon the 10th day of the subsequent month for which the reporting period covers.	The Subrecipient shall submit monthly reports in the template provided by the PRDOH. Up to date reports will be required to be on file for the approval for payment of any cost share invoices.
Close-out	The Subrecipient shall prepare a documentation package which will include all deliverables, reports, proofs of payments, and any other documents that the PRDOH may consider necessary to summarize, support and closeout the Subrecipient's tasks completed and match payments provided.	Upon 60 days of completion of the entirety of PW's included in this Agreement, as required by PRDOH.	Project Closeout Binder including all documentation, reporting, proofs of payment, and any other information deemed necessary by the PRDOH.

The Subrecipient shall develop workplans, schedules, reports and/or any other document as may be requested by PRDOH or its Representative in connection to the above timelines and performance goals. The Subrecipient shall submit any such documents for review and approval as requested by the PRDOH within the specified time frame provided for such request. PRDOH reserves the right to request any information to the Subrecipient as part of the Grantee's responsibilities.

GOVERNMENT OF PUERTO RICO
Department of Housing

EXHIBIT C

BUDGET

NON-FEDERAL MATCH PROGRAM
MUNICIPALITY OF VILLALBA

ljho
ljho

DESCRIPTION OF SERVICES

The PRDOH Non-Federal Match Program (NFMP) will provide a budget of two million two hundred four thousand eight hundred eighty-nine dollars and seventy-three cents ($2,204,889.73) for activities in this Subrecipient Agreement, dedicated toward facilitating a drawdown of CDBG-DR funds to support a match payment for the FEMA Public Assistance (PA) Program currently obligated Project Worksheets (PWs) as listed in the table below.

WORR
WORR

The NFMP will utilize data provided by FEMA and COR3 for the PA Program to determine HUD eligibility, creating a project file with sufficient supporting documentation that will allow PRDOH to submit a request for CDBG-DR funds.

Activity Delivery Costs – No Activity Delivery costs are to be incurred by the Subrecipient under this Agreement.

Planning – No Planning Costs are provided for this program, as FEMA has obligated projects through the PA program via project worksheets (PWs) to each applicant. The PRDOH also only provides the match, or non-Federal share reimbursement, for work that has been performed by eligible applicants, so planning-related activities have already occurred.

Project Costs – the Subrecipient and PRDOH have agreed that two million two hundred four thousand eight hundred eighty-nine dollars and seventy-three cents ($2,204,889.73) of the CDBG-DR funds requested for the NFMP will be directed toward Project Costs and considered as the budget for this Agreement. Project Costs will be used as the local match for the project's current non-Federal share.

Administrative Costs – No Administrative costs are to be incurred by the Subrecipient under this Agreement.

Outside of the Subrecipient's assistance to PRDOH through its scope of services in the form of additional documentation required, PRDOH will perform all eligibility reviews. PRDOH will also obtain and collect documentation from FEMA and COR3 data sources and as needed will contact the Subrecipient for additional documentation required in connection to the eligibility review. PRDOH also has the primary responsibility to engage with the Subrecipient in the Program and to provide Technical Assistance (TA).

The following table provides current totals for all of the Subrecipient's CDBG-DR local match budgets for each obligated Project Worksheet:

PW Number (Version)[1]	FEMA Category	Total Subaward Amount	Federal Share %	Federal Share Amount	Non-Federal Share %	Non-Federal Share Amount (Project Costs) (Estimated)[2]
4339-02499(0)	G	$472,060.68	90%	$424,854.61	10%	$47,206.07
4339-02066(0)	G	$388,240.76	90%	$349,416.68	10%	$38,824.08
4339-02332(0)	G	$10,873.43	90%	$9,786.09	10%	$1,087.34
4339-01871(0)	D	$797,969.00	90%	$718,172.10	10%	$79,796.90
4339-02603(0)	C	$74,542.25	90%	$67,088.03	10%	$7,454.22
4339-02260(0)	C	$43,992.86	90%	$39,593.57	10%	$4,399.29
4339-02211(0)	C	$617,305.78	90%	$555,575.20	10%	$61,730.58
4339-02181(0)	C	$16,110.32	90%	$14,499.29	10%	$1,611.03
4339-02304(0)	C	$34,758.72	90%	$31,282.85	10%	$3,475.87
4339-02591(0)	C	$462,722.44	90%	$416,450.20	10%	$46,272.24
4339-02121(0)	C	$108,143.60	90%	$97,329.24	10%	$10,814.36
4339-02309(0)	C	$50,920.89	90%	$45,828.80	10%	$5,092.09
4339-02101(0)	C	$37,136.32	90%	$33,422.69	10%	$3,713.63
4339-02035(0)	C	$23,541.06	90%	$21,186.95	10%	$2,354.11
4339-02139(0)	C	$383,102.63	90%	$344,792.37	10%	$38,310.26
4339-02129(0)	C	$9,885.74	90%	$8,897.17	10%	$988.57
4339-02133(0)	C	$31,303.42	90%	$28,173.08	10%	$3,130.34
4339-02147(0)	C	$549,257.00	90%	$494,331.30	10%	$54,925.70
4339-02142(0)	C	$39,481.71	90%	$35,533.54	10%	$3,948.17
4339-02245(0)	C	$49,810.60	90%	$44,829.54	10%	$4,981.06
4339-02608(0)	C	$81,242.05	90%	$73,117.85	10%	$8,124.20
4339-02611(0)	F	$7,784.00	90%	$7,005.60	10%	$778.40
4339-04741(0)	F	$42,383.65	90%	$38,145.29	10%	$4,238.36
4339-02607(0)	G	$63,706.87	90%	$57,336.18	10%	$6,370.69
4339-02349(0)	G	$248,476.41	90%	$223,628.77	10%	$24,847.64
4339-04711(0)	G	$1,190,356.28	90%	$1,071,320.65	10%	$119,035.63
4339-02497(0)	G	$806,220.11	90%	$725,598.10	10%	$80,622.01
4339-03065(0)	G	$164,274.90	90%	$147,847.41	10%	$16,427.49
4339-02243(0)	E	$857,163.41	90%	$771,447.07	10%	$85,716.34
4339-02202(0)	G	$1,332,506.36	90%	$1,199,255.72	10%	$133,250.64
4339-02062(0)	G	$556,501.21	90%	$500,851.09	10%	$55,650.12
4339-01946(0)	E	$37,785.95	90%	$34,007.36	10%	$3,778.59
4339-02783(0)	G	$322,203.38	90%	$289,983.04	10%	$32,220.34
4339-04881(0)	G	$754,041.02	90%	$678,636.92	10%	$75,404.10
4339-02859(0)	G	$165,118.08	90%	$148,606.27	10%	$16,511.81
4339-02442(0)	E	$417,694.43	90%	$375,924.99	10%	$41,769.44
4339-05250(0)	G	$304,654.88	90%	$274,189.39	10%	$30,465.49
4339-04845(0)	G	$42,027.58	90%	$37,824.82	10%	$4,202.76
4339-01886(0)	E	$28,583.99	90%	$25,725.59	10%	$2,858.40
4339-01820(0)	E	$224,894.73	90%	$202,405.26	10%	$22,489.47

ljho
ljho

WORR
WORR

4339-05309(0)	G	$6,522,012.24	90%	$5,869,811.02	10%	$652,201.22
4339-02529(0)	G	$134,861.34	90%	$121,375.21	10%	$13,486.13
4339-02928(0)	G	$846,906.78	90%	$762,216.10	10%	$84,690.68
4339-01834(0)	A	$105,920.00	90%	$95,328.00	10%	$10,592.00
4339-00829(1)	C	$2,526,341.67	90%	$2,273,707.50	10%	$252,634.17
4339-02305(0)	C	$44,102.04	90%	$39,691.84	10%	$4,410.20
3384-00063(0)	B	$7,990.00	75%	$5,992.50	25%	$1,997.50
					Total Budget	**$2,204,889.73**

ljho
ljho

Notes on budget

(1) PW Numbers included in this table are representative of the PWs on which the budget allocation was based and should not be interpreted as a definitive list of PW Numbers to receive disbursement under this Agreement. Additional PWs may receive match disbursement, based on the actual needs of the Subrecipient, the Program, or the PRDOH. Changes to the PWs listed may be reconciled through subsequent Amendments to this Agreement.

WORR
WORR

(2) Estimated Non-Federal Share Amount (Project Costs) for each PW Number should not be interpreted as a cap of costs disbursed for a specific PW Number. Disbursement shall be based on the actual needs of the PW Number, which may be affected by changes in project formulation, modification, obligation or de-obligation made by FEMA. Changes to the Non-Federal Share Amounts listed may be reconciled through subsequent Amendments to this Agreement.

GOBIERNO DE PUERTO RICO
Departamento de la Vivienda

Exhibit D

September 22, 2020

Maytte Texidor López, Esq.
Legal Director CDBG-DR
Puerto Rico Department of Housing

ljho
ljho

Katherine Meléndez Mateo
CDBG-DR Finance Director
WORR Puerto Rico Department of Housing CDBG-DR
WORR

César A. Candelario Candelario
Budget Manager CDBG-DR
Puerto Rico Department of Housing

CERTIFICATION OF FUNDS FOR PRDOH SUBRECIEPIENT AGREEMENT WITH MUNICIPIO DE VILLALBA FOR NON FEDERAL MATCH PROGRAM RELATED TO THE CDBG-DR FUNDS

As requested by the Deputy Director-Contract Administration, we certify the availability of funds for **$2,204,889.73** corresponding to "PRDOH Subrecipient agreement with Municipio de Villalba for the Non Federal Match Program". These funds are part of the **CDBG-DR Grant "B-17-DM-72-0001"**.

The breakdown of the certified funds is as follows:

Project	Activity Number	Account	Description	Total Funds Certified
Non Federal Match	R01I21FEM-DOH-LM	6090-01-000	Program Funds	$2,204,889.73
			Total	**$2,204,889.73**

The General Ledger account is provisional and will be revised when the agreement is executed with the final budget distribution.

If you have any questions or comments, please call me at (787)274-2527.

KMM/CCC/ac

EXHIBIT E

HUD GENERAL PROVISIONS

MUNICIPALITY OF VILLALBA

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

ljho

The SUBRECIPIENT (also referred to as the "Partner") shall include these terms and conditions in all subcontracts or purchase orders directly servicing the SRA.

WORR

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

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

2. STATUTORY AND REGULATORY COMPLIANCE

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

3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

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

4. REPORTING REQUIREMENTS

The SUBRECIPIENT shall complete and submit all reports, in such form and according to such schedule, as may be required by the PRDOH and/or the Government of Puerto Rico. The SUBRECIPIENT shall cooperate with all the PRDOH and/or the Government of Puerto Rico efforts to comply with HUD requirements and regulations pertaining to reporting, including but not limited to 2 C.F.R. § 200.328 and 24 C.F.R. § 570.507, when applicable.

5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

Ljho
Ljho

The SUBRECIPIENT shall retain all official records on programs and individual activities shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 applies to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion of the action and resolution of all issues or the end of the regular **five (5) year** period, whichever is longer. (See 2 C.F.R. § 200.333 and 24 C.F.R. § 570.490(d).)

WORR
WORR

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

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

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

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

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 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 SUBRECIPIENT will comply with the provisions of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives Federal funds or other Federal financial assistance. Programs that receive Federal funds cannot distinguish among individuals on the basis of race, color or national origin, either directly or indirectly, in the types, quantity, quality or timeliness of

program services, aids or benefits that they provide or the manner in which they provide them. This prohibition applies to intentional discrimination as well as to procedures, criteria or methods of administration that appear neutral but have a discriminatory effect on individuals because of their race, color, or national origin. Policies and practices that have such an effect must be eliminated unless a recipient can show that they were necessary to achieve a legitimate nondiscriminatory objective.

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

ljho
ljho

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

WORR
WORR

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

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

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

12. AGE DISCRIMINATION ACT OF 1975

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

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

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

15. SUBCONTRACTING

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

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

Ljho
ljho

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

WORR
WORR

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

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

18. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

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

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

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

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors shall receive overtime compensation in accordance with and subject to the provisions of the Contract

Work Hours and Safety Standards Act, and the SUBRECIPIENTS and subcontractors shall comply with all regulations issued pursuant to that act and with other applicable Federal laws and regulations pertaining to labor standards.

20. DAVIS-BACON ACT
(Applicable to construction contracts exceeding $2,000 when required by Federal program legislation.)
The SUBRECIPIENT shall comply with the Davis Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

ljho
ljho

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

WORR
WORR

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

21. TERMINATION FOR CAUSE
(Applicable to contracts exceeding $10,000)
If, through any cause, the SUBRECIPIENT shall fail to fulfill in a timely and proper manner his or her obligations under this SRA, or if the SUBRECIPIENT shall violate any of the covenants, agreements, or stipulations of this SRA, the PRDOH shall thereupon have the right to terminate this SRA by giving written notice to the SUBRECIPIENT of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the SUBRECIPIENT under this Agreement shall, at the option of the PRDOH, become the PRDOH's property and the SUBRECIPIENT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the SUBRECIPIENT shall not be relieved of liability to the Government of Puerto Rico and PRDOH for damages sustained by the Government of Puerto Rico and/or PRDOH by virtue of any breach of the Agreement by the SUBRECIPIENT, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the SUBRECIPIENT for the purpose of set-off until such time as the exact amount of damages due to the Government of Puerto Rico and/or PRDOH from the SUBRECIPIENT is determined.

22. TERMINATION FOR CONVENIENCE
(Applicable to contracts exceeding $10,000)
The PRDOH may terminate this SRA at any time by giving at least ten (10) days' notice in writing to the SUBRECIPIENT. If the SRA is terminated by the PRDOH as provided herein, the SUBRECIPIENT will be paid for the time provided and expenses incurred up to the termination date.

23. SECTION 503 OF THE REHABILITATION ACT OF 1973
(Applicable to contracts exceeding $10,000)
The SUBRECIPIENT shall comply with Section 503 of the Rehabilitation Act of 1973 (29 U.S.C. § 793), as amended, and any applicable regulations.

Equal Opportunity for Workers with Disabilities:

1) The SUBRECIPIENT will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The SUBRECIPIENT agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:

ljho
ljho

WORR
WORR

(i) Recruitment, advertising, and job application procedures;
(ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
(iii) Rates of pay or any other form of compensation and changes in compensation;
(iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
(v) Leaves of absence, sick leave, or any other leave;
(vi) Fringe benefits available by virtue of employment, whether or not administered by the SUBRECIPIENT;
(vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
(viii) Activities sponsored by the SUBRECIPIENT including social or recreational programs; and
(ix) Any other term, condition, or privilege of employment.

2) The SUBRECIPIENT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

3) In the event of the SUBRECIPIENT's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

4) The SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the SUBRECIPIENT'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECIPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECIPIENT may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).

5) The SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.

6) The SUBRECIPIENT will include the provisions of this clause in every subcontract or purchase order in excess of $10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order

as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

24. EQUAL EMPLOYMENT OPPORTUNITY
(Applicable to construction contracts and subcontracts exceeding $10,000)
The SUBRECIPIENT shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). During the performance of this Agreement, the SUBRECIPIENT agrees as follows:

ljho
ljho

1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

WORR
WORR

2) The SUBRECIPIENT 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 SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

4) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers representative of the SUBRECIPIENT's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5) The SUBRECIPIENT will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

6) The SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

7) In the event of the SUBRECIPIENT's non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September

24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

8) SUBRECIPIENT shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

ljho
ljho

WORR
WORR

25. CERTIFICATION OF NONSEGREGATED FACILITIES
(Applicable to construction contracts exceeding $10,000)
The SUBRECIPIENT certifies that it does not maintain or provide for its establishments, and that it does not permit employees to perform their services at any location, under its control, where segregated facilities are maintained. It certifies further that it will not maintain or provide for employees any segregated facilities at any of its establishments, and it will not permit employees to perform their services at any location under its control where segregated facilities are maintained. The SUBRECIPIENT agrees that a breach of this certification is a violation of the equal opportunity clause of this Agreement.

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

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

26. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS
(Applicable to contracts exceeding $100,000)
The SUBRECIPIENT and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. § 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 SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. 32 or on the List of Violating

Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Part 15, as amended.

2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 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.

Ljho
ljho

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.

WORR
WORR

4) Agreement by the SUBRECIPIENT that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

27. ANTI-LOBBYING
(Applicable to contracts exceeding $100,000)
By the execution of this SRA, the SUBRECIPIENT certifies, to the best of his or her knowledge and belief, that:

1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the SUBRECIPIENT, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

3) The SUBRECIPIENT shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

28. BONDING REQUIREMENTS

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

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

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

ljho
ljho

2) A performance bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the SUBRECIPIENT's obligations under such contract.

WORR
WORR

3) A payment bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

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

1) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

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

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

the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

5) The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 135.

ljho
ljho

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.

WORR
WORR

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 SUBRECIPIENT shall submit Form HUD 60002 (Section 3 Summary Report) to PRDOH on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

30. FAIR HOUSING ACT

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

31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

SUBRECIPIENT agrees to comply with mandatory standards and policies relating to Hatch Act, 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 SUBRECIPENT, you may do any of the following activities: be a candidate in nonpartisan elections; attend political meetings and conventions; contribute money; campaign in partisan elections; and hold office in political parties.

The SUBRECIPIENT may not do the following activities: be a candidate in partisan elections; use official influence to interfere in elections; coerce political contributions from

subordinates in support of political parties or candidates the office of special counsel operates a website that provides guidance concerning hatch act issues.

33. HEALTH AND SAFETY STANDARDS

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

Ijho
Ijho

WORR
WORR

34. PERSONNEL

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

35. WITHHOLDING OF WAGES

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

36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

37. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

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

38. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

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

purchase of any materials, supplies or property of any description, or for any other purpose whatsoever, or in any subcontract arising therefrom or connected therewith, or to receive, either directly or indirectly, any portion or share of any money or other thing paid for the construction or doing of any public work, or for the sale or purchase of any property, or upon any other contract made by the governing authorities of the municipality, or subcontract arising therefore or connected therewith.

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

Ljho
Ljho

39. INTEREST OF CERTAIN FEDERAL OFFICERS

WORR
WORR

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 SUBRECIPIENT

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

41. POLITICAL ACTIVITY

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

42. RELIGIOUS ACTIVITY

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

43. FLOOD DISASTER PROTECTION ACT OF 1973

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

44. LEAD BASED PAINT

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

45. VALUE ENGINEERING

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

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

EXHIBIT F
SPECIAL CONDITIONS
NON-FEDERAL MATCH PROGRAM
MUNICIPALITY OF VILLALBA

1. **Policies and Procedures:**
Within **one hundred eighty (180) days** after this Agreement is executed, the Subrecipient shall develop, update and implement all policies and procedures in compliance with PRDOH CDBG-DR policies and, state and federal regulations, including but not limited to:

    a. Citizen Complaints procedures in accordance with 24 C.F.R. § 570.431(5) of Citizen Participation.

    b. Financial management (2 C.F.R. part 200), compliance requirements and internal controls (2 C.F.R. § 200.61 and 2 C.F.R. § 200.303) policies and procedures in compliance with state and federal requirements in applicable regulation.

    c. Procurement policies and procedures in accordance with the PRDOH CDBG-DR Procurement Manual and in compliance with federal regulation.

    d. Monitoring related policies and procedures in compliance with 2 C.F.R. § 200.328 Monitoring and Reporting Program Performance.

    e. Record retention policies and procedures in compliance with record retention and access policies in 2 C.F.R. § 200.333 through § 200.336, and local regulation.

    f. Policies to regulate access and use of systems and protecting Personally Identifiable Information (**PII**) according to the CDBG-DR PII Policy.

    g. Environmental review as per 24 C.F.R. part 58

    h. Grant administration as per 24 C.F.R. § 570.501

2. **Organizational Chart:** Within **sixty (60) days** after this Agreement is executed the Subrecipient shall submit to the PRDOH CDBG-DR Program an updated organizational chart for offices and divisions in the municipality participating in the implementation and management of the CDBG-DR awarded funds, that clearly demonstrate an appropriate segregation of duties in compliance with the Standards for Internal Control in the Federal Government established by the GAO, and in compliance with 2 CFR § 200.303. Furthermore, the organizational chart shall also include the position, title and employee's name, clearly establishing the segregation of duties, including the finance division.

3. **Staffing and Training Plan:** Within **sixty (60) days** after this Agreement is executed, the Subrecipient shall develop a staffing and training plan that identifies specific personnel responsible for implementation and compliance of key requirements, including citizen complaints, financial management, internal controls, procurement, monitoring and CDBG-DR specific requirements (e.g., national objective).

4. **Financial Workflow:** Within **sixty (60) days** after this Agreement is executed, the Subrecipient shall provide an internal financial workflow including staff roles and responsibilities.

5. **Capacity Building, Training and Technical Assistance:** Within **one hundred eighty (180) days** after this Agreement is executed, the Subrecipient shall participate in capacity building activities directed to the development and implementation of effective internal controls of federal awards to ensure that the municipality is capable of managing federal awards in compliance with federal statutes and regulation, with special emphasis on

those established in 2 C.F.R. part 200 and 24 C.F.R. § 570.501. The Subrecipient shall participate in the following training and capacity building seminars as provided by PRDOH:

a. Internal controls development and implementation.
b. Monitoring procedures to ensure the effectiveness of internal controls.
c. Financial Management.
d. Grant administration requirements.
e. Procurement requirements.
f. CDBG-DR Program invoicing requirements, format and methodology.
g. Environmental review requirements.
h. All applicable systems to manage CDBG-DR program data.
i. Citizen complaints management and reporting.
j. Protection of Personally Identifiable Information.
k. Record Retention.
l. Section 3, Davis-Bacon Act, Minority and Women Business Enterprise.

ljho
ljho

WORR
WORR

In addition to the above, the Subrecipient shall participate in capacity building activities provided by PRDOH which include but are not limited to, topics related to Fair Housing Act, among others.

6. Capacity Development in Procurement

The Subrecipient shall participate in capacity development activities in all procurement requirements before commencing any procurement activity.

VILLALBA - SRA

Final Audit Report 2021-04-06

Created:	2021-04-06
By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAO7tN6i_pqav2EpBKerib7-jGuaav5PSG

"VILLALBA - SRA" History

Document created by Radames Comas Segarra (rcomas@vivienda.pr.gov)
2021-04-06 - 1:52:35 PM GMT- IP address: 196.28.53.20

Document emailed to Luis Javier Hernández Ortiz (alcaldevillalba@hotmail.com) for signature
2021-04-06 - 1:56:43 PM GMT

Email viewed by Luis Javier Hernández Ortiz (alcaldevillalba@hotmail.com)
2021-04-06 - 3:15:32 PM GMT- IP address: 192.48.113.55

Document e-signed by Luis Javier Hernández Ortiz (alcaldevillalba@hotmail.com)
Signature Date: 2021-04-06 - 3:19:00 PM GMT - Time Source: server- IP address: 192.48.113.55

Document emailed to William O. Rodríguez Rodríguez (w.rodriguez@vivienda.pr.gov) for signature
2021-04-06 - 3:19:02 PM GMT

Email viewed by William O. Rodríguez Rodríguez (w.rodriguez@vivienda.pr.gov)
2021-04-06 - 5:18:47 PM GMT- IP address: 104.47.64.254

Document e-signed by William O. Rodríguez Rodríguez (w.rodriguez@vivienda.pr.gov)
Signature Date: 2021-04-06 - 5:25:48 PM GMT - Time Source: server- IP address: 196.28.53.20

Agreement completed.
2021-04-06 - 5:25:48 PM GMT

Adobe Sign