GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

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

PRDOH REGISTERED
JUN 0 1 2021
2021-DH0240
CDBG-DR CONTRACT ADMINISTRATION

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
MUNICIPALITY OF MOROVIS

CMG
CMG

WORR
WORR

This **MEMORANDUM OF UNDERSTANDING** (hereinafter, the "MOU") is entered into this 25 day of May, 2021, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, 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, William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the Municipality of Morovis (hereinafter, the "**Municipality**" or "**Subrecipient**"), with principal offices at Morovis, Puerto Rico, represented herein by its mayor, Carmen I. Maldonado González, of legal age, single, and resident of Morovis, Puerto Rico, collectively the "Parties".

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

WHEREAS, pursuant to a letter dated February 23, 2018, sent by the 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, 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, on September 20, 2018, the Governor of Puerto Rico and the Secretary of HUD signed a Grant Agreement for Grant Number B-17-DM-72-0001; allowing PRDOH access to $1,507,179,000 in CDBG-DR funding obligated under PL 115-56, as amended.

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.

CMG
CMG

WHEREAS, on January 27, 2020, an additional allocation of $277 million 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.

WORR
WORR

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

WHEREAS, according to the approved current Action Plan, Puerto Rico intends to undertake a comprehensive recovery plan, guided by an unmet needs analysis, through the implementation of its Program Portfolio which cover Housing, Infrastructure, Economic Recovery, Planning and Multisector activities.

WHEREAS, multiple CDBG-DR Programs are currently being implemented by Municipalities and they have become PRDOH's Subrecipients. Municipalities are ultimately responsible for the implementation of Programs and must ensure that expenditure of funds adheres to all applicable federal and local requirements.

WHEREAS, Municipal Subrecipients of the CDBG-DR Program who are managing multiple programs may directly administer projects or procure and use the support of outside parties (vendors) to serve their needs.

WHEREAS, PRDOH is making an administrative funds allocation to the Municipality in order for it to conduct administrative tasks to complete and comply with eligible CDBG-DR projects requirements to obtain approval for disaster recovery funding. These tasks may include, but are not limited to monitoring, financial management, reporting, ensuring compliance with federal labor standards and overall program performance, and general services to manage the funds and CDBG-DR Programs overall.

WHEREAS, A Municipal Subrecipient managing a single Program should not need to incur any administrative costs, since all of their costs may be directly related to that single Activity.
Therefore, if a Municipal Subrecipient is incurring in administrative costs, the amount and use of administration funding provided to Subrecipients must be clearly established in this MOU.

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 to create,

allocate CDBG-DR funds, and to issue and award the subaward, enter and perform under this MOU; and

WHEREAS, the Municipality has duly adopted the Resolution dated August 13, 2020 and with Identification No. 4, Series 2020 - 2021, authorizing the Municipality to enter into this MOU with the PRDOH, and by signing this MOU, the Municipality assures PRDOH that it shall comply with all the requirements described herein.

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 MOU.

CMG
CMG

TERMS AND CONDITIONS

II. PURPOSE

WORR
WORR

A. This is an MOU between the PRDOH and the Municipality of Morovis. The MOU is entered to outline the scope of work and budget associated with the allocation of administrative funds and governed by this MOU.
B. The Administrative Services allocation/budget for Municipality was based upon the formula used in allocating budgets for the Subrecipients in the City Revitalization Program.
C. The MOU includes the expected responsibilities from the Municipality and the type of Administrative Oversight/Tasks.

III. GENERAL AWARD INFORMATION

The award from PRDOH to the Municipality contemplated hereunder is for carrying out the purpose described in Section I above. This MOU 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
Municipality Contact Information:	Carmen I. Maldonado González Municipality of Morovis PO Box 655 Morovis PR 00687
Municipality Unique Identifier:	DUNS number: 135498363
Award Period of Performance:	Start Date: Effective Date, as defined in Section **VII** of this MOU. End Date: **twenty-four (24) months** from Start Date
Funds Certification:	Dated: May 12, 2021 Authorized Amount: **$95,767.03** Funds Allocation: CDBG-DR "R02M27CR-DOH-LM" CDBG-DR "R02M27CR-DOH-UN" Account Number: 6090-01-000 See **Exhibit B** for Funds Certification

PRDOH has allocated to the Municipality a total amount of funds, as specified in Exhibit B, for general administrative oversight tasks related to CDBG-DR program overall. Any additional funding requested after the execution of this MOU is contingent upon availability of funding from HUD.

IV. ATTACHMENTS

The following attachments are incorporated by reference and are hereby made part of this Memorandum of Understanding:

Exhibit A	Scope of Work
Exhibit B	Certification of Funds
Exhibit C	HUD General Provisions

CMG
CMG

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 MOU. Should any inconsistency appear between the Attachments and this MOU, the MOU shall prevail.

WORR
WORR

V. RESPONSIBILITIES

A. The Municipality shall be responsible for performing the activities detailed in this MOU.
B. All services shall be made in accordance with PRDOH guidelines, HUD guidelines and regulations, and other applicable state and federal laws and regulations.
C. The Municipality's roles and responsibilities described in this MOU must be tied to activities related to the performance agreed in the executed Subrecipient Agreements with PRDOH under CDBG-DR.
D. The Municipality shall complete all activities in the Scope of Work of this MOU (**Exhibit A**) in accordance with the Budget allocated in this MOU. The proposed budget to be managed by the Municipality shall be specifically for administrative costs.
E. The Municipality shall be responsible of notifying the PRDOH immediately after a sudden change of tasks or to validate the coding of such activities.
F. The Municipality may be financially liable for carrying out activities outside of the parameters of this MOU with the CDBG-DR funds provided for administrative tasks.
G. The Municipalities should establish whether day-to-day administration of the project will be conducted by local staff or by a service provider, and which party will conduct each administrative activity and ensure compliance throughout the MOU period.

VI. SCOPE OF WORK

The Municipality shall be responsible for performing the activities detailed in **Exhibit A** (hereinafter, the "Scope of Work") of this MOU, herein attached and made an integral part of this MOU, which may be amended from time to time with the consent of both Parties. The Municipality shall complete the Scope of Work in a manner satisfactory to the PRDOH and consistent with the terms and conditions of this MOU and applicable Federal and local statutes, laws and regulations.

A. Management Responsibilities

The Municipality shall submit to PRDOH all the required Program documentation to demonstrate compliance with Program requirements and provide the necessary supporting documentation for invoicing purposes.

The Municipality may proceed in acquiring technical and advisory services for the implementation of the administrative tasks, following all established requirements for the CDBG-DR Program.

As a condition of receiving this funds, the Municipality shall perform the procurement, management, monitoring and reporting of the services included in the **Exhibit A** for the CDBG-DR Program overall.

B. General Administration

Prohibited Activities: The Municipality may only carry out the roles and responsibilities described in this MOU and the activities related to the performance of the Scope of Work described in **Exhibit A** of this MOU.

CMG
CMG

The Municipality 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 MOU for political activities, inherently religious activities, or lobbying.

WORR
WORR

C. Nonperformance Standard

If at the end of the **six (6) months** from the Effective Date, as defined in **Section VII** 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 this MOU or **Exhibit A** ("Scope of Work"), 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.

D. Staffing

The Municipality shall supervise and direct the completion of all activities under this MOU. Depending on the needs of the Program, the Municipality shall provide staff and/or procure professional service contractors to assist with the compliance of said activities. The staff who will support the Program administrative activities included in the Scope of Work, shall solely perform those tasks and shall be remunerated hourly.

E. Pre-Award Costs

Pre-award costs applicable to the Municipality are **strictly prohibited.**

F. Scope of Services Requested

The Municipality will be able to procure services to help fulfill CDBG-DR statutory responsibilities related to recovery in connection with any federally declared disaster. The scope of the procured services will be to assist the Municipality in completion of CDBG-DR/ CDBG-MIT qualified projects.

G. Description of Services and Special Conditions

The Municipality should clearly indicate if they intend to administer activities in-house with existing staff or through contracting arrangements. Pre-funding and post-funding administrative services to complete the disaster recovery projects, include, but are not limited to the following:

i. Pre-Funding Services
- Develop project scope and complete CDBG-DR/ CDBG-MIT required applications.
- Work leading to providing the concise information needed for submission of complete disaster recovery funding application and related documents. The required information shall be submitted in a format to be described by the PRDOH.

CMG
CMG

ii. Post-Funding Services
- Conduct administrative tasks to complete and comply with eligible CDBG-DR projects requirements to obtain approval for disaster recovery funding.

WORR
WORR

H. Administration Services - General
- Administrative duties;
- Monitoring overall program performance;
- Services to manage the funds and CDBG-DR program overall;
- Financial management;
- Reporting;
- Ensuring completion of Section 3, Davis Bacon, and other Labor standards reports, as needed; and
- On-going compliance monitoring after project close-out.

I. Procurement and Contractor Oversight (***if applicable***)

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

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

The Municipality 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. Municipality 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 Municipality 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.

CMG
CMG

The Municipality shall maintain oversight of all activities under this MOU 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 MOU.

WORR
WORR

VII. EFFECTIVE DATE AND TERM

This MOU shall be in effect and enforceable between the Parties from the date of its execution. The period of this MOU is **twenty-four (24) months** from the date of its execution, ending in May 24, 2023. It is agreed to herein that while in effect, the PRDOH is not in obligation of payment until it is certified that the tasks performed are in compliance with Program, Federal, State, and local guidelines regarding eligibility under administrative funds.

The End of Term shall be the later of: (i) May 24, 2023 (ii) the date as of which the Parties agree in writing that all Close-Out Requirements[1] have been satisfied or, where no Close-Out Requirements are applicable to this MOU, 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 MOU.

A. Contract Extensions:

PRDOH may, at its sole discretion, extend the MOU's term for additional terms, upon mutual written agreement of the Parties. The term of this MOU 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 MOU cannot exceed the extension.

VIII. PAYMENT

A. Amount

The Municipality hereby acknowledges that this MOU is subject to the availability of the allocated CDBG-DR funds. The Municipality 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 MOU, upon PRDOH's notice.

This MOU is based on the reimbursement of funds to the Municipality expended on approved CDBG-DR administrative 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.

---

1 "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this MOU and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one (1) or more of the Parties of all close-outs or other legal instruments and the taking of any actions by one (1) or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

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

B. Requests for Reimbursements

The Municipality shall submit to PRDOH requests for reimbursements of activities under this MOU and consistent with the approved Budget (hereinafter, the "Request for Reimbursement") and Scope of Work on a monthly basis.

The Municipality 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 Municipality demonstrating that all procurements for which payment is requested have been made in accordance with this MOU.

CMG
CMG

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 Municipality 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 Municipality 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."**

IX. AMENDMENT AND TERMINATION

A. Amendments

This MOU may be amended provided that such amendments make specific reference to this MOU, 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 MOU, nor relieve or release the Parties from their obligations under this MOU. Unless specified, such amendments are not intended to effect nor will they constitute an extinctive novation of the obligations of the Parties under the MOU and amendment.

This MOU 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 MOU 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 MOU, such modifications shall be incorporated only by written amendment signed by both the PRDOH and the Municipality.

However, PRDOH reserves the right to notify the Municipality in writing, email or any other electronic method, of 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 MOU without the need of executing a separate written and signed amendment.

CMG
CMG

B. Suspension or Termination

WORR
WORR

1. Termination for Cause

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

a. Failure to attend mandatory technical assistance and/or training, or comply with any of the rules, regulations, or provisions referred to herein, or such statutes, regulations, executive orders, 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 Municipality to fulfill in a timely and proper manner its obligations under this MOU;
c. Ineffective or improper use of funds provided under this MOU; or,
d. Submission of reports by the Municipality to the PRDOH that are incorrect or incomplete in any material respect.

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

2. Termination for Convenience of the PRDOH

The PRDOH may terminate this MOU any time by a notice in writing from the PRDOH to the Municipality. If the MOU is terminated by the PRDOH as provided herein, the Municipality 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 MOU may also be terminated in whole or in part by either the PRDOH or the Municipality, or based upon MOU by both the PRDOH and the Municipality 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 Municipality, 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

Municipality and the Municipality 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 Municipality 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 MOU, 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 MOU, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this MOU by delivering to the Municipality a **thirty (30) day** notice of termination specifying the extent to which the performance of the work under this MOU is terminated, and the effective date of termination. Upon receipt of such notice, the Municipality shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. If the Municipality 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 Municipality upon termination, then the PRDOH will disallow from payments to the Municipality under this MOU 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.

CMG
CMG

WORR
WORR

5. Suspension

The PRDOH may suspend this MOU in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the Municipality **five (5) days'** written notice of such suspension. Upon receipt of said notice the Municipality shall immediately discontinue all Services affected.

6. Immediate Termination

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

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

7. Period of Transition.

Upon termination of this MOU, and for **ninety (90) consecutive calendar days** thereafter (the Transition Period), Municipality agrees to make himself available to assist the PRDOH with the transition of services assigned to Municipality by the PRDOH. Municipality 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 MOU for the Transition Period. In such instance, the Municipality 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 MOU will be turned over to PRDOH.

8. Availability of Funds

This MOU is contingent upon the availability of funds from HUD. It is expressly understood and agreed that the obligation to proceed under this MOU is conditioned upon the receipt of Federal funds. If the funds anticipated for the continuing fulfillment of the MOU 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 Municipality, to terminate this MOU 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.

CMG
CMG

WORR
WORR

X. NOTICES

All notices, requests, approvals, and consents of any kind made pursuant to this MOU 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 MOU shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice. Communication and details concerning this MOU shall be directed to the following representatives:

CDBG-DR Grantee:	William O. Rodríguez Rodríguez, Esq., Secretary Puerto Rico Department of Housing 606 Barbosa Avenue Juan C. Cordero Building Río Piedras, Puerto Rico 00918
Municipality:	Carmen I. Maldonado González Municipality of Morovis PO Box 655 Morovis, PR 00687

XI. INTERPRETATION

A. The MOU expresses the entire relationship between the Municipality and the PRDOH.
B. The MOU shall be interpreted and implemented in accordance with all statutory requirements, PRDOH CDBG-DR policies and regulations, and with all HUD requirements, including the HUD program regulations at 24 Code of Federal Regulations part 982.

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

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

A. General Compliance

The Municipality 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 MOU. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the Municipality 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 Municipality 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 Municipality 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 MOU, regardless of whether CDBG-DR funds are made available to the Municipality on an advance or reimbursement basis. This MOU 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. In addition, the Municipality shall comply, without limitation, those set forth in **HUD's General Provisions Exhibit C.**

CMG
CMG

WORR
WORR

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 Municipality 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 funds provided under this MOU. In the event a conflict arises between the provisions of this MOU and any of the foregoing, the Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines shall control and this MOU 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 Municipality 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 MOU, as it may be updated from time to time.

B. 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 Municipal Subrecipients shall be deposited into a new, separate, non-co-mingled, unencumbered account held in the name of the Municipality Subrecipient. The funds shall be used solely for eligible activities. Further, the Municipality shall provide and make available to PRDOH any and all documentation related to such account.

CMG
CMG

XIII. CDBG-DR POLICIES AND PROCEDURES

In addition to what is established in this MOU, the Municipality shall comply with all CDBG-DR program specific and general policies and procedures, including, but not limited to, the Municipality or 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 MOU, as they may be updated from time to time, and reporting requirements as established by the PRDOH.

WORR
WORR

XIV. NONDISCRIMINATION

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

XV. FORCE MAJEURE

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any *Force Majeure* including inclement weather, herein collectively referred

to as *Force Majeure* during the term of this MOU, neither the PRDOH nor the Municipality shall be liable to the other party for nonperformance during the conditions created by such event.

The Municipality 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.

XVI. 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 MOU 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 MOU 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.

CMG
CMG

WORR
WORR

Upon the consolidation or the merger becoming effective, and supporting evidence of such event is notified to PRDOH, execution of an Amendment to the MOU 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 MOU will be necessary if the Subrecipient, Contractor, or Subcontractor becomes the surviving entity following a merger.**

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

B. Change of Name

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the MOU 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 MOU, 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 MOU 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 MOU.

C. Dissolution

In the event that the signing party (e.g. Subrecipient, Contractor, or Subcontractor) of the MOU 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 MOU will follow. Consequently, the signing party acknowledges and agrees to provide to the PRDOH, after termination of the MOU, 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 MOU will be turned over to PRDOH following the MOU termination.

CMG
CMG

XVII. ASSIGNMENT OF RIGHTS

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

WORR
WORR

XVIII. INDEPENDENT CONTRACTOR

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

XIX. SEVERABILITY

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

XX. SECTION HEADINGS AND SUBHEADINGS

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

XXI. NON-WAIVER

The PRDOH's failure to act with respect to a breach by the Municipality 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.

XXII. BANKRUPTCY

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

XXIII. GOVERNING LAW JURISDICTION

This MOU 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 MOU in the Puerto Rico Court of First Instance, San Juan Region,

XXIV. 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 MOU 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 MOU 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.

XXV. PROGRAM INCOME

PRDOH reserves the right to authorize the Municipality to retain Program Income[2] to be used in eligible program activities as described in this Agreement. The Municipality 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.

CMG
CMG

WORR
WORR

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 Municipality 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.

XXVI. SUBROGATION

The Municipality acknowledges that funds provided through this MOU are Federal funds administered by HUD under the CDBG-DR Program and that all funds provided by this MOU are subject to audit, disallowance, and repayment. Any disagreement with adverse findings may be challenged and subject to Federal regulation, however, the Municipality, 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

---

[2] 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.

matter the cause. This clause shall survive indefinitely the termination of this MOU for any reason.

XXVII. COMPTROLLER REGISTRY

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

XXVIII. ENTIRE MOU

CMG
CMG

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

WORR
WORR

XXIX. FEDERAL FUNDING

The fulfillment of this MOU is based on those funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures under this MOU must be made in accordance with this MOU, the policies and procedures promulgated under the CDBG-DR Program, and any other applicable laws. Further, the Municipality acknowledges that all funds are subject to recapture and repayment for non-compliance.

XXX. SINGLE AUDIT

The Municipality 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 Municipality 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 Municipality 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 Municipality 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)).

XXXI. RECAPTURE OF FUNDS

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

XXXII. OVERPAYMENT

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

XXXIII. COUNTERPARTS

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

XXXIV. SURVIVAL OF TERMS AND CONDITIONS

The terms and conditions of this MOU related to the following subjects shall survive the termination or expiration of this MOU: 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 MOU shall so survive.

CMG
CMG

WORR
WORR

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

PUERTO RICO DEPARTMENT OF HOUSING, CDBG-DR Grantee

William O. Rodríguez Rodríguez
By: William O. Rodríguez Rodríguez (May 25, 2021 09:51 EDT)
Name: William O. Rodríguez Rodríguez, Esq.,
Title: Secretary

Municipality

Carmen I. Maldonado González
By: Carmen I. Maldonado González (May 25, 2021 08:37 EDT)
Name: Carmen I. Maldonado González
Title: Mayor of Municipality of Morovis
DUNS: 135498363

EXHIBIT A

SCOPE OF WORK

Administrative Funds Assignment for Municipalities

Municipality of Morovis

CMG
CMG

1. Overview

The Puerto Rico Department of Housing (**PRDOH**) intends to allocate ten million dollars in CDBG-DR administrative funds, to be distributed between the seventy-eight (78) Municipalities of Puerto Rico, in order to support their compliance with the administrative tasks as Subrecipients of multiple programs under the CDBG-DR Program. The purpose of this initiative is to provide the Municipalities with the capacity to successfully assume the new delegated functions, including recruiting resources that will be in charge of carrying out administrative tasks related to Programmatic compliance efforts.

WORR
WORR

This Scope of Work (Exhibit A), which is made an integral part of the MOU to be signed between the PRDOH and the Municipalities, contains a list of tasks that will guide, but not limit, the use of assigned administrative funds.

1. Tasks

a. The Municipality will have the responsibility to complete a capacity assessment of the personnel and professional services that will be in charge of the administrative functions mentioned below. Said assessment will include:
    i. Qualification assessment (relevant experience administering or managing federal funds);
    ii. Ability to interpret and follow federal and state laws, rules and regulations;
    iii. Ability to understand and interpret Program Guidelines, procurement processes and financial requirements.

b. The Municipality will be responsible of ensuring full compliance with the internal controls established at the municipal, state, and federal levels in the development of all the implementation phases of the Program until its closure.

c. The Municipality will be responsible for the development and/or supervision of the development and rendering of reports on the date and level of detail requested.

d. The Municipality will be responsible for developing and/or supervising the development and rendering of reports and/or compliance procedures in alignment with applicable regulations of Section 3, MWBE, FHEO and Davis Bacon.

e. The Municipality will be responsible for the management and report of citizen's complaints related to the Program.

f. The Municipality will be responsible for developing and/or supervising the development and maintenance of accounting records:

i. Ensure that the required processes have been incorporated into the accounting system;
ii. Update and maintain reliable information on applicable sources and uses, including awarded grants, current CDBG-DR funding authorizations, unobligated balances, assets and liabilities, program income, and disbursements.

g. The Municipality will be responsible for evaluating that proposed costs are allowed:
   i. That costs are attributable to the CDBG-DR Program;
   ii. That costs are necessary, reasonable and directly related to CDBG-DR Program;
   iii. That the costs have been authorized by PRDOH and the CDBG-DR Program; and
   iv. That costs are not disallowed by applicable state, federal, and/or local laws and regulations.

CMG
CMG

WORR
WORR

h. The Municipality will be responsible for keeping records of all original documents related to incurred costs. The record should demonstrate that costs:
   i. Were incurred during the term of the subrecipient agreement;
   ii. Were paid or properly earned;
   iii. Were expended in permissible goods and/or services;
   iv. Had been approved by the designated officials within the subrecipient's organization.

i. The Municipality will be responsible for monitoring compliance with the approved budget distribution, including obligations and disbursements. Therefore, they must:
   i. Keep records of budgeted project amounts for eligible activities.
   ii. Define non-committed/ unexpended balances for each budgeted category, as well as for obligations and disbursements.
   iii. Compare obligations and disbursements to date, against budgeted obligations and disbursements, and against projected goals for such disbursements.
   iv. Establish procedures to minimize the time elapsed since the receipt of funds from the recipient and its disbursement.

j. The Municipality will be responsible for submitting reimbursement requests to PRDOH on a monthly basis or as required by each CDBG-DR Program Subrecipient Agreement (SRA), as per applicable terms of the SRA and consistent with the budget and the Scope of Work.

k. The Municipality will be responsible for demonstrating its capacity to provide accurate, timely and updated reports that represent a full disclosure of:
   i. Budgeted amount;
   ii. Advances/refunds received to date;
   iii. Program income and other miscellaneous receipts in the current period and up to date;
   iv. Expenditures and actual disbursements in the current and cumulative period up to date for both program income and regular CDBG grant funds.

l. The Municipality shall ensure that all contracts awarded after the execution of this MOU and in the performance of such, shall be in compliance with the provisions of 2 C.F.R. §200.318-327 and in compliance with CDBG-DR Program.

m. The Municipality will be responsible for the accurate maintenance of records and the observance of records retention policies.

n. The Municipality will be responsible for ensuring the development, updating and/or implementation of the policies recommended by the PRDOH's Monitoring Division as part of their Capacity Assessment evaluation report.

CMG
CMG

o. The Municipality will be responsible for reporting any Program income received or generated through the use of CDBG-DR funds, in compliance with applicable regulations.

WORR
WORR

p. The Municipality will be responsible for conducting the necessary steps to ensure:

    i. The use of all assigned funds according to the identified needs and applicable eligibility, or the return of funds and their surplus.

    ii. The report of achievements, as demonstrated by the completed activities or, on the contrary, canceled.

    iii. Updating implemented performance measures versus those proposed.

q. The Municipality will be responsible for complying with any other requirement or function to ensure progress of the objectives and regulations of the CDBG-DR Program, as it may be requested.

End of Scope of Work

GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

Exhibit B

May 12, 2021

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

CMG
CMG

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

WORR
WORR

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

CERTIFICATION OF FUNDS FOR PRDOH SUBRECIPIENT AGREEMENT WITH MUNICIPIO DE MOROVIS FOR ADMINISTRATIVE FUNDS FROM THE CITY REVITALIZATION PROGRAM RELATED TO CDBG-DR

As requested by the Deputy Director - Contract Administration of CDBG-DR, we certify the availability of funds for **$95,767.03** for "PRDOH Subrecipient Agreement with Municipio de Morovis for Administrative Funds from the City Revitalization Program". These funds are part of the **CDBG-DR Grant "B-18-DP-72-0001".**

The breakdown of the certified funds is as follows:

Project	Activity Number	Account	Description	Total Funds Certified
Multi Sector	R02M27CR-DOH-LM	6090-01-000	Program Funds	$ 67,036.92
	R02M27CR-DOH-UN			28,730.11
			Total	**$ 95,767.03**

These funds will be distributed into their proper accounts once we receive the documentation with the related works.

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

KMM/CCC/ac

GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

EXHIBIT C

HUD GENERAL PROVISIONS

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

MUNICIPALITY OF MOROVIS

CMG
CMG

Given that the Memorandum of Understanding (MOU) 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 MOU. In addition, the Municipality 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/.

WORR
WORR

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

These general provisions may be updated from time to time. It is the sole responsibility of the MUNICIPALITY 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 MOU shall be deemed to be inserted herein and the MOU 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 MOU shall forthwith be physically amended to make such insertion or correction.

2. STATUTORY AND REGULATORY COMPLIANCE

MUNICIPALITY 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 MOU TERMS

The PRDOH reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of this MOU, in instances where the MUNICIPALITY or any of its subcontractors violate or breach any MOU term. If the MUNICIPALITY or any of its subcontractors violate or breach any MOU term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by the MOU 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 MUNICIPALITY 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 MUNICIPALITY 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

CMG
CMG

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 MUNICIPALITY which are related to this MOU, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

WORR
WORR

6. MAINTENANCE/RETENTION OF RECORDS

The MUNICIPALITY 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).)

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

The MUNICIPALITY 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 MUNICIPALITY 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 MUNICIPALITY 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.

CMG
CMG

WORR
WORR

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

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

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

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

The MUNICIPALITY 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 MUNICIPALITY 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 MUNICIPALITY 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. SUBCONTRACTING

When subcontracting, the MUNICIPALITY 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.

CMG
CMG The MUNICIPALITY 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 MOU.

WORR
WORR The MUNICIPALITY 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.

15. ASSIGNABILITY

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

16. INDEMNIFICATION

The MUNICIPALITY 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 MUNICIPALITY in the performance of the services called for in this MOU.

17. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

Salaries of personnel performing work under this MOU 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 MUNICIPALITY shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this MOU 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.

18. 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 MUNICIPALITY 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 MUNICIPALITY 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 MUNICIPALITY and subcontractors shall comply with all regulations issued pursuant to that act and with other applicable Federal laws and regulations pertaining to labor standards.

CMG
CMG

19. DAVIS-BACON ACT

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

WORR
WORR

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

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

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

20. TERMINATION FOR CAUSE

(Applicable to contracts exceeding $10,000)

If, through any cause, the MUNICIPALITY shall fail to fulfill in a timely and proper manner his or her obligations under this MOU, or if the MUNICIPALITY shall violate any of the covenants, agreements, or stipulations of this MOU, the PRDOH shall thereupon have the right to terminate this MOU by giving written notice to the MUNICIPALITY 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 MUNICIPALITY under this MOU shall, at the option of the PRDOH, become the PRDOH's property and the MUNICIPALITY shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the MUNICIPALITY 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 MOU by the MUNICIPALITY, and the Government of Puerto Rico and/or PRDOH may withhold any payments to the MUNICIPALITY 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 MUNICIPALITY is determined.

21. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding $10,000)

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

22. SECTION 503 OF THE REHABILITATION ACT OF 1973
(Applicable to contracts exceeding $10,000)
The MUNICIPALITY 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 MUNICIPALITY 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 MUNICIPALITY 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:

CMG
CMG

(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 MUNICIPALITY;
(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 MUNICIPALITY including social or recreational programs; and
(ix) Any other term, condition, or privilege of employment.

WORR
WORR

2) The MUNICIPALITY 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 MUNICIPALITY'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 MUNICIPALITY 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 MUNICIPALITY'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The MUNICIPALITY must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the MUNICIPALITY 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 MUNICIPALITY will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the MUNICIPALITY 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 MUNICIPALITY 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 MUNICIPALITY 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.

23. EQUAL EMPLOYMENT OPPORTUNITY
(Applicable to construction contracts and subcontracts exceeding $10,000)

The MUNICIPALITY 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).

CMG
CMG

During the performance of this MOU, the MUNICIPALITY agrees as follows:

WORR
WORR

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

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

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

4) The MUNICIPALITY 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 MUNICIPALITY'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 MUNICIPALITY 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 MUNICIPALITY 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 MUNICIPALITY's non-compliance with the non-discrimination clause of this MOU or with any of such rules, regulations or orders, this MOU may be cancelled, terminated or suspended in whole or in part and the MUNICIPALITY 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) MUNICIPALITY 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 MUNICIPALITY 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 MUNICIPALITY becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the MUNICIPALITY may request the United States to enter into such litigation to protect the interests of the United States.

CMG
CMG

WORR
WORR

24. CERTIFICATION OF NONSEGREGATED FACILITIES
(Applicable to construction contracts exceeding $10,000)
The MUNICIPALITY 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 MUNICIPALITY agrees that a breach of this certification is a violation of the equal opportunity clause of this MOU.

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 MUNICIPALITY 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).

25. CERTIFICATION OF COMPLIANCE WITH CLEAN AIR AND WATER ACTS
(Applicable to contracts exceeding $100,000)
The MUNICIPALITY 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 Municipality, the following:

1) A stipulation by the MUNICIPALITY 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 MUNICIPALITY 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.

CMG
CMG

WORR
WORR

3) A stipulation that as a condition for the award of the MOU, 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 MOU, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.

4) Agreement by the MUNICIPALITY 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 MUNICIPALITY will take such action as the government may direct as a means of enforcing such provisions.

26. ANTI-LOBBYING
(Applicable to contracts exceeding $100,000)
By the execution of this MOU, the MUNICIPALITY 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 MUNICIPALITY, 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 MUNICIPALITY shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

3) The MUNICIPALITY 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 Municipality 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.

27. BONDING REQUIREMENTS
(Applicable to construction and facility improvement contracts exceeding $100,000)

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

CMG
CMG

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.

WORR
WORR

2) A performance bond on the part of the MUNICIPALITY 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 MUNICIPALITY's obligations under such contract.

3) A payment bond on the part of the MUNICIPALITY 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.

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

1) The work to be performed under this MOU 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 MOU 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 MOU, the parties to this MOU certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

3) The MUNICIPALITY agrees to send to each labor organization or representative of workers with which the MUNICIPALITY has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the MUNICIPALITY'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 MUNICIPALITY 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 MUNICIPALITY will not subcontract with any subcontractor where the MUNICIPALITY has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

5) The MUNICIPALITY will certify that any vacant employment positions, including training positions, that are filled: (1) after the MUNICIPALITY 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 MUNICIPALITY's obligations under 24 C.F.R. Part 135.

CMG
CMG

6) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this MOU 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 MOU. 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 MOU 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 MUNICIPALITY 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.

29. FAIR HOUSING ACT

MUNICIPALITY 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.

30. ENERGY POLICY AND CONSERVATION ACT

MUNICIPALITY 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*).

31. HATCH ACT

MUNICIPALITY 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 MUNICIPALITY 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.

32. 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.

CMG
CMG

WORR
WORR

33. PERSONNEL

The MUNICIPALITY represents that it has, or will secure at its own expense, all personnel required in performing the services under this MOU. 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 MUNICIPALITY 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 MOU.

34. WITHHOLDING OF WAGES

If in the performance of this MOU, there is any underpayment of wages by the MUNICIPALITY or by any subcontractor thereunder, the PRDOH may withhold from the MUNICIPALITY 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 MUNICIPALITY or subcontractor to the respective employees to whom they are due.

35. 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 MOU shall be promptly reported in writing by the MUNICIPALITY to the PRDOH for the latter's decision, which shall be final with respect thereto.

36. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS

No person employed on the services covered by this MOU 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.

37. INTEREST OF MEMBERS OF LOCAL PUBLIC AGENCY AND OTHERS

The MUNICIPALITY 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 MUNICIPALITY 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.

CMG
CMG

The MUNICIPALITY 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.

WORR
WORR

38. INTEREST OF CERTAIN FEDERAL OFFICERS
No member of, or delegate to, the Congress of the United States and no Resident Commissioner shall be admitted any share or part of this MOU or to any benefit to arise therefrom.

39. INTEREST OF MUNICIPALITY
The MUNICIPALITY 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 MUNICIPALITY further agrees that no person having any such interest shall be employed in the performance of this MOU.

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

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

42. FLOOD DISASTER PROTECTION ACT OF 1973
The MUNICIPALITY 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.

43. LEAD BASED PAINT
The MUNICIPALITY 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.

44. VALUE ENGINEERING
(Applicable to construction contracts exceeding $2,000 when required by Federal program legislation.)
The MUNICIPALITY 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).

45. DUPLICATION OF BENEFITS

Neither the assisted Tenants nor the Municipality shall carry out any of the activities under this MOU 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 applicable to this CDBG-DR award. The assisted Tenants and the Municipality 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 assisted Tenants and the Municipality shall carry out the activities under this MOU in compliance with the PRDOH's procedures to prevent duplication of benefits.

CMG
CMG

46. DRUG-FREE WORKPLACE

WORR
WORR

The Municipality 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).

47. INSURANCE & BONDING

The Municipality 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 (PRDOH) and the U.S. Department of Housing and Urban Development (HUD) shall be named as additional insured on all such insurance. The Municipality 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 the same.

48. HOLD HARMLESS

The Municipality shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the PRDOH, the Government of Puerto Rico, HUD, and each and all of its successors, affiliates, or assignees, 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 MOU, and losses of any form or nature arising from or related to the conduct of the Municipality in the performance of this MOU. This indemnity shall expressly include, but is not limited to, the obligation of the Municipality to indemnify and reimburse the PRDOH, the Government of Puerto Rico, and HUD for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in the enforcement of this MOU or any portion thereof against the Municipality or otherwise arising in connection with the Municipality's breach, violation, or other non-compliance with this MOU. This clause shall survive indefinitely the termination of this MOU for any reason.

49. PRDOH RECOGNITION

Unless otherwise directed by the PRDOH, the Municipality shall ensure recognition of the role of HUD and the PRDOH in providing funding, services, and efforts through this MOU.

Unless otherwise directed by the PRDOH, all activities, facilities, and items utilized pursuant to this MOU shall be prominently labeled as to role of HUD and of the PRDOH. 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.

50. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

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

CMG
CMG

51. FINANCIAL & PROGRAM MANAGEMENT

The Municipality shall expend and account for all CDBG-DR funds received under this MOU 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.

WORR
WORR

The Municipality 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.

52. DOCUMENTATION AND RECORD KEEPING

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

53. CLIENT DATA AND OTHER SENSITIVE INFORMATION

In the event that the Municipality comes to possess Tenant data and other sensitive information as a result of this MOU, then the Municipality shall maintain Tenant data demonstrating Tenant eligibility for services provided. Such data shall include, but not be limited to, Tenant 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 Municipality 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 Municipality considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

The Municipality 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).

The Municipality shall comply with PRDOH's Personally Identifiable Information, Confidentiality, and Nondisclosure Policy.

54. CLOSE-OUT

The Municipality's obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, determining the custodianship of records, and the Municipality certification of compliance with the terms of this MOU.

General requirements for closeout are as follows:

i. All Program forms required throughout the entirety of the CDBG-DR Program have been duly completed and executed by the appropriate parties.

ii. All funds used for the CDBG-DR Program, whether CDBG-DR or received by means of a subrogation of funds, have been properly accounted for.

iii. All required reports have been submitted.

CMG
CMG

55. AUDITS AND INSPECTIONS

All Municipality records with respect to any matters covered by this MOU 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 Municipality within **thirty (30) days** after receipt by the Municipality. Failure of the Municipality to comply with the above audit requirements shall constitute a violation of this MOU and may result in the withholding of future subsidy and/or termination.

WORR
WORR

56. NONDISCRIMINATION

The Municipality 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 (HCDA) (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 Municipality 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 HCDA makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR funds. Thus, the Municipality 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.

57. Conflict of Interest

The MUNICIPALITY shall notify the PRDOH as soon as possible if this MOU or any aspect related to the anticipated work under this MOU raises an actual or potential conflict of interest (as defined 2 C.F.R. § 200.318(c), if applicable). The MUNICIPALITY 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 MUNICIPALITY shall provide the PRDOH any additional information necessary to fully assess and address such actual or potential conflict of interest. The MUNICIPALITY 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.

The Municipality 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:

1. It is presumed that the Municipality 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 MOU.

2. In the event the Municipality is not, the Municipality shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this MOU. 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 any parties involved in receiving assistance, except in cases 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 Municipality.

CMG
CMG

WORR
WORR

3. 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 with respect to the CDBG-DR assisted activity, or with respect to the proceeds from the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of **one (1) year** thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the PRDOH, the Municipality, or any designated public agency.

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

58. ETHICS

The Municipality also acknowledges the need to comply with of the Code of Ethics for Contractors, Suppliers of Goods and Services and Applicants for Economic Incentives of the Executive Agencies of the Commonwealth of Puerto Rico known in Spanish as "*Código de Ética para Contratistas, Suplidores y Solicitantes de Incentivos Económicos de las Agencias Ejecutivas del Estado Libre Asociado de Puerto Rico*".

59. GOVERNMENT CERTIFICATIONS

The Municipality certifies that it is in compliance with the requirements of all government agencies and that it has fulfilled its tax responsibilities. The Municipality must submit the Good Standing Certificate and the Certificate of Existence to be in compliance with the Registry of Corporations and Entities of the Department of State of Puerto Rico, if applicable.

CMG
CMG

60. CITIZEN GRIEVANCES

WORR
WORR

If the Municipality receives any complaint or grievance in relation to the funds used under this MOU, it shall refer said complaint or grievance immediately to the PRDOH CDBG-DR Program so that PRDOH may respond appropriately.

MOROVIS - MOU - ADMINISTRATIVE FUNDS.

Final Audit Report 2021-05-25

Created:	2021-05-13
By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAACWefII9Eu1xn2-4qrHmRTRVuhQL1drvN

"MOROVIS - MOU - ADMINISTRATIVE FUNDS." History

Document created by Radames Comas Segarra (rcomas@vivienda.pr.gov)
2021-05-13 - 6:22:41 PM GMT- IP address: 196.28.53.20

Document emailed to Carmen I. Maldonado González (alcaldesa@morovis.pr.gov) for signature
2021-05-13 - 6:26:10 PM GMT

Email viewed by Carmen I. Maldonado González (alcaldesa@morovis.pr.gov)
2021-05-14 - 1:52:14 AM GMT- IP address: 172.58.229.191

Document e-signed by Carmen I. Maldonado González (alcaldesa@morovis.pr.gov)
Signature Date: 2021-05-25 - 12:37:27 PM GMT - Time Source: server- IP address: 64.89.201.33

Document emailed to William O. Rodríguez Rodríguez (w.rodriguez@vivienda.pr.gov) for signature
2021-05-25 - 12:37:34 PM GMT

Email viewed by William O. Rodríguez Rodríguez (w.rodriguez@vivienda.pr.gov)
2021-05-25 - 1:49:58 PM GMT- IP address: 104.47.65.254

Document e-signed by William O. Rodríguez Rodríguez (w.rodriguez@vivienda.pr.gov)
Signature Date: 2021-05-25 - 1:51:28 PM GMT - Time Source: server- IP address: 196.28.53.20

Agreement completed.
2021-05-25 - 1:51:28 PM GMT

Adobe Sign