

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

**AMENDMENT A TO
SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
THE MUNICIPALITY OF CATAÑO
SUBRECIPIENT AGREEMENT No. 2019-DR0012**



THIS AMENDMENT A TO THE SUBRECIPIENT AGREEMENT, (hereinafter referred to as the "Amendment") is entered into in San Juan, Puerto Rico, this 26 of September, 2019, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, PRDOH), a public agency created under Law No. 97 of June 10, 1972, as amended, 3 LPRA § 441 et seq., known as the Department of Housing Governing Act with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by Hon. Fernando A. Gil-Enseñat, lawyer, of legal age, married and resident of Guaynabo, Puerto Rico, in his capacity as Secretary; and the **MUNICIPALITY OF CATAÑO** (hereinafter, the "Municipality"), a local government legal entity, with principal offices at Cataño, Puerto Rico, herein represented by its Mayor, Hon. Félix Delgado Montalvo, of legal age, married, Mayor, and resident of Cataño, Puerto Rico, collectively the "Parties".

RECITALS

WHEREAS, on June 14, 2019, the PRDOH and the Municipality entered into an Agreement, which was registered as Agreement No. 2019-DR0012, for Outreach and Inspection Services under Homer Repair, Reconstruction, or Relocation Program (R3 Program) in connection with the CDBG-DR Program.

WHEREAS, the PRDOH and the Municipality, agreed that, for allowable Inspection and Outreach Services performed during the term of the Agreement, PRDOH would pay a maximum amount not to exceed **TWO HUNDRED AND THIRTY TWO THOUSAND DOLLARS** (\$232,000.00); to the Municipality from **ACTIVITY NUMBER: R01H07RRR-DOH-LM, ACCOUNT NUMBER: 4190-10-000**.

WHEREAS, said original Agreement shall be in effect and enforceable between the parties from the date of its execution. The term of the original Agreement will be for a performance period of **thirty six (36) months**, ending in June 14, 2022. This Amendment does not change the original term.

WHEREAS, **Section III** of the Agreement establishes that "[T]he Municipality shall be responsible for performing the activities detailed in Exhibit A (hereinafter, the "Scope of Work") of the Agreement, **which may be amended from time to time with the consent of both Parties.**" (Our emphasis)

WHEREAS, the Municipality sent a letter to the PRDOH on September 3, 2019 in which the Mayor, Hon. Félix Delgado Montalvo expressed that the Municipality is not interested in participating in Inspection Services and requested an amendment to the Subrecipient Agreement between the Municipality and the PRDOH. (Attachment 1 of this Amendment)

WHEREAS, the Municipality desires to eliminate the **SCOPE OF WORK FOR INSPECTIONS** contained in **Exhibit A-2** of the original Agreement.

WHEREAS, the Municipality only wants to participate in Outreach Services contained in **Exhibit A-1** of the original Agreement.

WHEREAS, this amendment reduces the funds availability for the Municipality from **TWO HUNDRED AND THIRTY TWO THOUSAND DOLLARS (\$232,000.00)** to **SIXTY NINE THOUSAND SIX HUNDRED DOLLARS. (\$69,600.00)**. This Amendment changes the original payment amount.

WHEREAS, the parties also intend to amend **Section IX. AMENDMENTS AND TERMINATION** and **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIEREMENTS** of the Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in the document, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledge, the parties hereby agree as follows:

I. AMENDMENTS¹

A. The parties intend to amend paragraph 6 of **SECTION I. RECITALS AND GENERAL AWARD INFORMATION** as follows:

WHEREAS, according to the approved Action Plan, Puerto Rico intends to undertake a Home Repair, Reconstruction, or Relocation Program (hereinafter, "R3 Program"). The focus of the R3 Program is to provide relief for those who were impacted by Hurricanes Irma and María who have unmet housing needs while addressing recognized impediments to affirmatively furthering fair housing as required under the Fair Housing Act. The approved Action Plan allocated a total budget of \$2,175,570,050 to this program. The PRDOH will designate \$69,600.00 of the mentioned funds to the Municipality who will serve as administrator and servicer for the services included in the Scope of Work under this Agreement.

B. The parties intend to amend the Funds Certification box of the **GENERAL AWARD INFORMATION** table as follows:

Funds Certification:	Dated: September 9, 2019 Amount: \$69,600.00 Funds Allocation: R01H07RRR-DOH-LM Account Number: 4190-10-000 See Exhibit E for <u>Funds Certification</u>
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C. The parties intend to replace the **Exhibit B: Timelines and Performance Goals** of the Agreement. The [new **Exhibit B: Timelines and Performance Goals** will only contain what is related to Outreach Services. The new **Exhibit B** is incorporated into the Agreement by reference and is hereby made part of the Agreement. (Attachment 2 of this Amendment)

D. The parties intend to replace the **Exhibit C: Key Personnel** of the Agreement. The new **Exhibit C: Key Personnel** will only contain what is related to Outreach Services. The new **Exhibit C** is incorporated into the Agreement by reference and is hereby made part of the Agreement. (Attachment 3 of this Amendment)

E. The parties intend to replace the **Exhibit D: Budget** of the Agreement. The new **Exhibit D: Budget** will only contain what is related to Outreach Services. The new **Exhibit D** is

¹ For easier review and reference, amendments will be in italics.

incorporated into the Agreement by reference and is hereby made part of the Agreement. (Attachment 4 of this Amendment)

F. The parties intend to replace the **Exhibit E: Funds Certification** of the Agreement. The new **Exhibit E: Funds Certification** will only contain what is related to Outreach Services. The new **Exhibit E** is incorporated into the Agreement by reference and is hereby made part of the Agreement. (Attachment 5 of this Amendment)

G. The parties intend to replace **Section IX. AMENDMENT AND TERMINATION, (B) Suspension or Termination, (a) Termination for Cause** with the following:

*The PRDOH may terminate this Agreement, 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 Agreement. Failure to comply with any terms of this Agreement, include (but are not limited to) the following:*

- a. *Failure to 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, and 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 Agreement;*
- c. *Ineffective or improper use of funds provided under this Agreement;*
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.*

H. The parties intend to amend **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, (A) General Compliance** to add the following paragraph at the end:

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

The parties intend to replace **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, (S) Title VI of the Civil Rights Act of 1964 (24 CFR part 1), (3) Affirmative Action (a) Approved Plan**, with the following paragraph:

a. Compliance

The Municipality shall take affirmative steps to comply with the President's Executive Order 11246 of September 24, 1966, as amended, and implementing regulations at 42 CFR chapter 60.

I. The parties intend to amend **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS**, to add a new subsection **(U)** as follows:

U. Citizen Grievances

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

J. Each party represents that the person executing this Amendment has the necessary legal authority to do so on behalf of the respective party.

K. All other terms and conditions of the Agreement remain unchanged.

II. HEADINGS

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

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

IV. FEDERAL FUNDING

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

V. RECAPTURE OF FUNDS

PRDOH may recapture payments it makes to the 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 Agreement, 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.

VI. 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 Agreement. The Municipality shall reimburse such disallowed costs from funds other than those the Municipality received under this Agreement.

VII. SUBROGATION

The Municipality acknowledges that funds provided through this Amended Agreement are Federal funds administered by HUD under the CDBG-DR Program and that all funds provided by this Amended Agreement 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 matter the cause. This clause shall survive indefinitely the termination of this Amended Agreement for any reason.

VIII. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this Amended Agreement to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this




Amended Agreement and any subsequent amendment hereto. The services object of this Agreement may not be invoiced or paid until this Agreement has been registered by the PRDOH at the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

IX. ENTIRE AGREEMENT

The Agreement and all its attachments and this Amendment represent the entire and integrated agreement between PRDOH and the Municipality and supersede all prior or contemporaneous proposals, negotiations, representations, agreements and/or understandings of any kind, whether electronic, oral, or written between the Parties with respect to the Agreement and this Amendment.

The Municipality shall comply and fulfill all terms, conditions, and clauses agreed upon on the Agreement and this Amendment, even when not included specifically in this Amendment. The Municipality shall comply with all applicable federal, state or local rules, regulations, or policies relating to CDBG-DR and CDBG program services even when not included specifically on this Amendment.

X. CONSOLIDATIONS, MERGERS, OR DISSOLUTIONS



In the event that participating entities are consolidated or merged with another entity or agency, the Municipality will notify PRDOH of such action within a **fifteen (15) day** period of being notified of it. PRDOH will have **fifteen (15) days** to state its position. With PRDOH's written approval, the Municipality must ensure that the resulting entity becomes responsible for the Municipality's tasks under the legal Agreement and this Amendment. A timeframe of no more than **fifteen (15) days** from the date that any merger or consolidation becomes effective will be provided to make amendments or transitory changes, so that the tasks assigned to personnel at the Municipality under the Agreement and this Amendment are carried out by the resulting entity with little or no lapse in performance objectives and the ability to fulfill the scope of work for the program as outlined in the **Exhibits A, B and C of the Agreement, as amended**. The Municipality is to provide notice to any other agency or entity it may consider consolidating or merging with in advance, to advise and provide orientation on the Municipality's duties under the Agreement and this Amendment and make the survival or transfer of those tasks a condition to any merger, consolidation, or dissolution involving the Municipality during the time span of the Agreement and this Amendment.

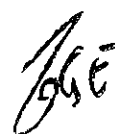
XI. COUNTERPARTS

This Amendment 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.

XII. SEVERABILITY

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

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

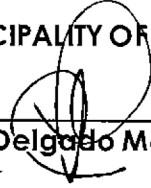


DEPARTMENT OF HOUSING



Fernando A. Gil-Enseñat, Esq.
Secretary

MUNICIPALITY OF CATAÑO



Félix Delgado Montalvo
Mayor
DUNS No. 139130459



Municipio de Cataño
PO BOX 428
Cataño, PR 00963



3 de septiembre de 2019

Hon. Fernando A. Gil Enseñat
Secretario
Departamento de la Vivienda
Gobierno de Puerto Rico
P.O. Box 21365
San Juan, Puerto Rico 00928-1365

Estimado señor Secretario:

Reciba un cordial saludo de parte de todos los catañeses y en el mío propio.

El pasado 14 de junio de 2019, el Municipio Autónomo de Cataño formalizó un acuerdo con el Departamento de la Vivienda de Puerto Rico para participar como subrecipiente del Programa de Rehabilitación, Reconstrucción o Reubicación Unifamiliar, mejor conocido como "R3", subvencionado con fondos de la "Community Development Block Grant – Disaster Recovery" (CDBG-DR).

Luego de evaluar los recursos disponibles en nuestro Municipio, entendemos que los mismos no serán suficientes para poder asistirle adecuadamente en los trabajos relacionados con el manejo y administración de los servicios de inspección.

A tales efectos, muy respetuosamente, solicito que se enmiende el contrato antes mencionado, de manera que se elimine del mismo todos los asuntos relacionados con los servicios de inspección requeridos para el Programa R3.

No obstante, nos reiteramos a sus órdenes para asistirle en otros procesos dirigidos a la reconstrucción de nuestro Pueblo.

Sin nada más sobre el particular, quedo a sus órdenes.

Atentamente,

Félix D. Delgado Montalvo
Alcalde

c: Lcdo. Joel O. Hernández Alvarado
Lcdo. Gabriel J. Sicardó Ocasío
Sra. Ivette Colón Meléndez
Sr. Sergio J. Santiago Ochoteco

cataño.pr



GOVERNMENT OF PUERTO RICO
Department of Housing

September 6, 2019

Maytte Texidor-López, Esq.
Director for Legal Affairs - CDBG-DR

Fernando A. Gil-Enseñat, Esq.
Secretary

Dennis G. González-Ramos, PE, MEM
Deputy Secretary for Disaster Recovery

Municipality of Cataño
Amendment to Sub-recipient Agreement – Milestone Inspections for the R3 Program

The Municipality of Cataño signed a sub-recipient agreement with PRDOH to administer two service areas for the CDBG-DR Single Family Repair, Reconstruction or Relocation Program. The services to be provided by the municipality include program outreach as well as milestone inspections of construction activities.

Through a letter dated September 3, 2019 (attached) Cataño Mayor, Hon. Félix D. Delgado Montalvo, is expressing the intention to withdraw their participation from construction milestone inspections, thus requesting an amendment to the aforementioned agreement.

After reviewing the request from the Municipality of Cataño, we hereby recommend amending the sub-recipient agreement to eliminate all responsibilities and budget related to milestone inspection services for the R3 Program.

Feel free to contact us, should you have any questions or require additional information related to this matter.

Orison Trossi-Olivera, PE
Deputy Director
Housing Grant Management - CDBG-DR

Dora F. Muñoz-Rivera, PE
Director
Program Management – CDBG-DR

Attachment: Letter - Municipality of Cataño

cc: Marezkie Díaz-Sánchez, Esq.
Director for Disaster Recovery

606 Barbosa Ave., Juan C. Cordero Bldg., Río Piedras, PR 00918 | P.O. Box 21365 San Juan, PR 00928-1365
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EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

**HOME REPAIR, RECONSTRUCTION OR RELOCATION
PROGRAM (“R3 PROGRAM”)**



GOVERNMENT OF PUERTO RICO
Department of Housing

September 2019

SUBRECIPIENT AGREEMENT - R3 PROGRAM TIMELINE



June 2019	Notice to Proceed ("NTP")
10 days after NTP	Outreach Plan Development by the Municipality
5 days	Review, Comments and Approval of Outreach Plan by PRDOH
4 months after NTP or until required by DOH	Municipal Outreach according to approved Outreach Plan
According to Subrecipient Agreement	Compliance monitoring during the period of performance of the Agreement.



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EXHIBIT C

KEY PERSONNEL

HOME REPAIR, RECONSTRUCTION OR RELOCATION PROGRAM (“R3 PROGRAM”)



GOVERNMENT OF PUERTO RICO
Department of Housing

September 2019

Below is the Staffing Plan for the CDBG-DR Repair, Reconstruction or Relocation Program which reflects a combination of the Municipality existing employees or new hired employees dedicated to the Outreach Services for the CDBG-DR R3 Program.

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

OUTREACH SERVICES

Classification
Outreach Manager
Outreach Staff
Outreach Staff
Outreach Staff
Outreach Staff
Outreach Staff

Personnel job description:

Outreach Manager



Manage production and performance of outreach team, provide on the job training/guidance to outreach staff as needed. Identify outreach opportunities and select appropriate communication methods. Prepare and submit Municipal Outreach Plan. Report on production, performance, and identified impediments of the outreach team as requested by PRDOH. Ensures that outreach efforts are equitable and accessible by citizens. Ensures outreach activities are carried out in accordance with governing federal, local, and program policies and regulations.

Outreach Staff (Minimum of 5 employees)

Responsible for community outreach activities as identified in Municipal Outreach Plan. Assist citizens with general inquiries regarding the R3 Program. Communicates program priorities, eligibility criteria and other pertinent information regarding the R3 Program to citizens within the Municipio. Communicates identified opportunities for improvement of outreach process to Outreach Manager.

Joe

EXHIBIT D

BUDGET

**HOME REPAIR, RECONSTRUCTION OR
RELOCATION PROGRAM (“R3 PROGRAM”)**



GOVERNMENT OF PUERTO RICO
Department of Housing

September 2019

OUTREACH SERVICES

The Municipality staff shall submit invoices for payment on a monthly basis based on a time and material method.

Staff will complete daily timesheets and work logs for work related to the Management, Outreach, Assistance in the Application Intake and Reporting costs in accordance with the approved Municipality Outreach Plan.

1.1. STAFFING

The Municipality will assign existing or new hired temporary personnel to accomplish all the Outreach services task established in the **Exhibit A-1 (Scope of Work - Outreach for R3 Program)**.

Classification	No. of Employees	Maximum Hours per months
Outreach Manager	1	40
Staff	5	160



The Municipality will have a maximum amount of **\$17,400.00** per month for up to 4 months of services, as deemed necessary. Therefore, there will be a Not-to-Exceed amount of **\$69,600.00** for all Outreach Services.

The Municipality staff will also keep timesheets and logs of case files they work on to better understand work volume and time needed for processing each case.

Contractor:	MUNICIPALITY
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Handwritten signature/initials

Program:		Repair, Reconstruction, Relocation Program LMI	
DRGR Activity Code:		R01H07RRR-DOH-LM	
Cost Type	Internal Account Coding	Object of Expense	CONTRACT Budget
ADMINISTRATION			\$-
PLANNING			\$-
PROJECT			\$69,600.00
PROJECT			
Costs			\$-
TOTAL COSTS			\$-
PROJECT ACTIVITY DELIVERY COSTS			
Costs	5001-2000	Salaries	\$69,600.00
Subtotal-Costs			\$69,600.00
	5001-2021	Program Reserve	\$-
TOTAL COSTS			\$69,600.00
GRAND TOTAL			\$69,600.00



GOBIERNO DE PUERTO RICO
 Departamento de la Vivienda

September 9, 2019

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

Félix Hernández Cabán, MBA, CFE, JD
 Director of Disaster Recovery Finance CDBG-DR
 Puerto Rico Department of Housing

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

RE-CERTIFICATION OF FUNDS FOR AMENDMENT TO PRDOH SUBRECIPIENT AGREEMENT WITH THE MUNICIPALITY OF CATAÑO FOR OUTREACH SERVICES FOR THE R3 PROGRAM RELATED TO THE CDBG-DR FUNDS

As requested by the Deputy Director-Contract Administration for CDBG-DR, we certify the availability of funds for **\$69,600.00** corresponding to "Amendment to PRDOH Subrecipient agreement with the Municipality of Cataño for Outreach Services for the R3 Program". These funds are part of the **CDBG-DR Grant "B-17-DM-72-0001"**.

The breakdown of the certified funds is as follows:

Activity Number	Activity Title	Description	Account Number	Amount Certified	Revised Amount
R01H07RRR-DOH-LM	Repair, reconstruction & relocation program-LMI	Outreach Services	4190-10-000	\$232,000.00	\$69,600.00
				\$232,000.00	\$69,600.00

This certification replaces the previous version.

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

FHC/CCC/ac

Ave. Barbosa #606 Edificio Juan C. Cordero Dávila Río Piedras, PR 00918 | P.O. Box 21365 San Juan, PR 00928-1365
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