



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

**SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE
PUERTO RICO SCIENCE, RESEARCH AND TECHNOLOGY TRUST**



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This **SUBRECIPIENT AGREEMENT** (hereinafter, the "Agreement") is entered into this 14 day of August, 2020, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (the "PRDOH"), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 L.P.R.A. § 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, Luis C. Fernández Trinchet, of legal age, attorney, single, and resident of Guaynabo, Puerto Rico; and the **PUERTO RICO SCIENCE, TECHNOLOGY AND RESEARCH TRUST** (the "Subrecipient" or "PRSTRT"), which was created by Act No. 214-2004, as amended, and constituted by the Constitution Deed Number 23 executed on December 31, 2004 before Notary Public Jaime Arturo Riera-Seivane, represented in this act by its Chief Executive Officer, Luz A. Crespo Valentín, of legal age, executive, single, and resident of San Juan, Puerto Rico, authorized to appear in the present Agreement by virtue of the power conferred to her by the Board of Trustees of the Subrecipient, 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. These funds are intended to provide financial assistance to address unmet needs that arise and that are not covered by other sources of financial aid.

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

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

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

WHEREAS, on August 14, 2018, a Notice was published in the Federal Register Vol. 83, No. 157, (83 FR 40314) that made an additional allocation to Puerto Rico of \$8.22 billion for recovery.

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.

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

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

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.

WHEREAS, 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.

WHEREAS, according to the approved current Action Plan, Puerto Rico intends to undertake the Re-Grow Puerto Rico – Urban Rural Agriculture Program (hereinafter, "Re-Grow" or "the Program"). Re-Grow will build agricultural capacity and meet the needs created by the hurricanes through a substantial investment of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds in a wide variety of viable and sustainable agricultural activities. Citizens served by the program will be diverse; spanning from urban to rural areas and across all ages. The Program will focus on small farms and agricultural businesses and non-governmental organizations engaged in sustainable agricultural activities that contribute to the strengthening of the agricultural economy since the hurricanes. Challenges with urbanization, population migration, and land use change will be addressed through urban agriculture and technology deployment. Battered agricultural infrastructure will be improved to withstand future climatic uncertainties. The Program will expose individuals to agricultural opportunities while simultaneously helping established producers create employment opportunities across the sector.

WHEREAS, the approved current Action Plan allocated a total budget of ninety two million five hundred thousand dollars (\$92,500,000.00) to this program. Out of this total allocation, the PRDOH has made thirty million four hundred seventy one thousand nine hundred ninety nine dollars and fifty two cents (\$30,471,999.52) available under this agreement to the Subrecipient who will serve as administrator for the services included in the Scope of Work (SOW) under this Agreement. Any additional funding after the execution of this Agreement is contingent upon availability of funding from HUD.

WHEREAS, the Subrecipient will assist the PRDOH in utilizing CDBG-DR funds to carry out the Program, pursuant to this Agreement;

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

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

WHEREAS, the Subrecipient, in accordance with its enabling statute, Act No. 214-2004, as amended, has the legal power and authority to enter into this Agreement and has agreed to undertake the corresponding administrative responsibilities under the Program. By signing this Agreement, the Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

GENERAL AWARD INFORMATION

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

Subrecipient Contact Information:	Bárbara Rivera brivera@prsciencetrust.org
CDBG-DR Grantee Federal Award Identification Number:	PRDOH DUNS #: 054115628
CDBG-DR Grantee Federal Award Date:	September 20, 2018
Federal Award project description:	See Exhibit A for <u>Scope of Work</u>
Subrecipient Unique Identifier:	DUNS number: 061372344
Subaward Period of Performance:	Start Date: Effective Date, as defined in Section IV of this Agreement. End Date: thirty-six (36) months from Start Date
Funds Certification:	Dated: August 3, 2020 Amount: \$30,471,999.52 Funds Allocation: CDBG-DR "B-18-DP-72-001" Account Number: \$21,330,399.66 from 6090-01-000 and \$9,141,599.86 from 4190-10-000 See Exhibit E for <u>Funds Certification</u>

PRDOH has allocated to the Subrecipient the above mentioned amount for the implementation and administration of the Program. Development of Program implementation and administration, including but not limited to awarding program grants, by the Subrecipient may require additional resources in which case, additional funding may be requested. In such event, the Subrecipient must present appropriate supporting documentation to justify that need. Any additional funding requested after the execution of this Agreement is subject to PRDOH approval and contingent upon availability of funding from HUD, as stated 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 Agreement.

TERMS AND CONDITIONS

II. ATTACHMENTS

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

Exhibit A	Scope of Work
Exhibit B	Timelines and Performance Goals
Exhibit C	Key Personnel
Exhibit D	Budget
Exhibit E	Funds Certification
Exhibit F	HUD General Provisions
Exhibit G	Special Conditions
Exhibit H	Insurance Requirements (DV-OSPA-78-5)

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

III. SCOPE OF WORK

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

A. Subrecipient Management Responsibilities

1. As a condition of receiving this Subaward, the Subrecipient shall assist the PRDOH in procurement, management, monitoring, and reporting of the services included in the **Exhibit A** for the Program.
2. All services shall be made in accordance with PRDOH guidelines, HUD guidelines and regulations, and other applicable state and federal laws and regulations.
3. The services contracts will be subject to the previous written approval of PRDOH to become effective and will incorporate any clauses or dispositions required by PRDOH, including, but not limited to, the Contract termination for convenience of the PRDOH.
4. The Subrecipient will develop plans in accordance with the Exhibit A. The PRDOH reserves authority and discretion to review and approve such plans.

B. General Administration

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

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

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C. National Objectives

All activities funded with CDBG-DR funds must meet one of the CDBG-DR program's National Objectives: (i) benefit low-and moderate-income persons; (ii) aid in the prevention or elimination of slums or blight, or; (iii) meet community development needs having a particular urgency, as defined in 24 C.F.R. § 570.208. PRDOH anticipates that each Program's eligible activities will meet one of the below listed national objectives. PRDOH will work with entities who are funded through this Program to determine the national objective for each project according to 24 C.F.R. § 570.483 and listed here below:

Benefit to low- and moderate-income persons (LMI) (24 C.F.R. § 570.483(b))

- o Job Creation/Retention
- o Area Benefit
- o Limited Clientele
- Urgent Need (UN) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (SB) (24 C.F.R. § 570.483(c))

PRDOH has set a goal to expend seventy percent (70%) of Re-Grow Program funds on projects that result in a benefit to LMI individuals or that demonstrably serve LMI areas.

The Subrecipient certifies that the activities carried out under this Agreement shall meet one of the HUD national objective(s) as defined in 24 C.F.R. § 570.483.

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

D. Levels of Accomplishment – Performance Goals and Timelines

The Subrecipient shall complete the activities required under the Scope of Work of this Agreement in accordance with the timeframes and performance goals set forth in **Exhibit B** ("Timelines and Performance Goals") of this Agreement, herein attached and made an integral part of this Agreement.

E. Nonperformance Standard

If at the end of the **six (6) months** from the Effective Date, as defined in **Section V** of this Agreement, the Program activity has not begun accepting applications or at any time during the term the Program activity has not accomplished the performance objectives set forth by the PRDOH in **Exhibit B** ("Timelines and Performance Goals"), the PRDOH, may, at its 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. In accordance with written policies and procedures, 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 relative to the reasons stated as well as the prevailing circumstances.

F. Staffing

The Subrecipient shall supervise and direct the completion of all activities under this Agreement. Any changes in assigned key personnel (hereinafter, the "Key Personnel") assigned or their responsibilities under the activities are subject to the prior approval of the PRDOH. If possible, it is the best practice for Subrecipient to provide PRDOH with ample written notice to the personnel changes and requests. Ample notice in this context shall be **ten (10) business days**. If that is not possible, then Subrecipient shall make all reasonable effort to notify PRDOH of changes.

At a minimum, Subrecipient shall assign the staff with the identified responsibilities to the identified activities as described in **Exhibit C** ("Key Personnel") of this Agreement, herein attached and made integral part of this Agreement.

Depending on the needs of the Program activity, the Subrecipient shall provide staff and/or procure professional service contractors to assist with the compliance of said activities. The staff who will support the Program activities included in the Scope of Work, shall solely perform those tasks and shall be remunerated hourly.

The Subrecipient shall monitor the performance of its staff, and contractors against the goals and performance standards as stated in the **Exhibit B** ("Timelines and Performance Goals").

G. Pre-Award Costs

Pre-award costs applicable to the Subrecipient are strictly prohibited.

IV. PERFORMANCE, MONITORING AND REPORTING

A. Monitoring

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

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

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

If action to correct such substandard performance is not taken by the Subrecipient within **fifteen (15) days** after being notified by PRDOH, PRDOH may impose additional conditions on the Subrecipient and suspend or terminate this Agreement, disallow all or part of the cost of the activity or action not in compliance or initiate other remedies for noncompliance, as appropriate and permitted under 2 C.F.R. § 200.338.

B. Reporting

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

V. **EFFECTIVE DATE AND TERM**

This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this Agreement is **thirty-six (36) months** from the date of its execution, ending in 8/14, 20²³.

The End of Term shall be the later of: (i) 8/14, 20²³, (ii) the date as of which the Parties agree in writing that all Close-Out Requirements¹ have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this Agreement.

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

A. Contract Extensions:

PRDOH may, at its sole discretion, extend the Agreement's term for additional terms, upon mutual written agreement of the Parties. The term of this Agreement shall not exceed the lifetime of the initial Grant Agreement between PRDOH and HUD, unless the term of the initial Grant Agreement is extended by HUD, in which case the term of this Agreement cannot exceed the extension.

B. Notice to Proceed:

The Subrecipient shall not, and shall not be obligated to, commence performance of the Scope of Work until PRDOH issues the notice to proceed (hereinafter, "Notice to Proceed" or "NTP") authorizing the same pursuant to the terms and conditions of this Agreement. Upon the Subrecipient receipt from PRDOH of the NTP, the Subrecipient shall promptly commence with the performance of the Work. The NTP shall be issued in the form attached hereto as **Exhibit A**, Schedule A. The Subrecipient agrees to acknowledge its receipt of the NTP by countersigning it and returning such acknowledged copy to PRDOH on the date the NTP is received by the Subrecipient. The Subrecipient shall timely provide copies of such notice of commencement to Subcontractors.

Any performance of the Scope of Work prior to the issuance of the NTP shall be considered by the PRDOH as an unapproved activity not subject to reimbursement.

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

VI. BUDGET

A. Budget

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

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Any proposed budget to be managed by the Subrecipient shall clearly specify proposed funding for administrative costs and/or program delivery costs and/or planning costs, to the extent that such costs are considered applicable categories for funding.

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The Budget may include a reserve of the Subaward for PRDOH's activity delivery costs and expenditures related to the Program. The Subrecipient may not access the reserve identified in the Budget without written consent from the PRDOH.

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

B. Indirect Costs

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

C. Program Income

The Subrecipient shall report monthly all Program Income², if any, 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 reported to and returned to PRDOH. Program Income is subject to all applicable CDBG-DR laws and regulations for so long as it exists. Any interest earned

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.

on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not Program Income and shall be remitted promptly to the PRDOH.

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

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

D. Reversion of Assets

Use and Reversion of Assets. The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 C.F.R. part 84 and 24 C.F.R. § 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

The Subrecipient shall transfer to PRDOH any CDBG-DR funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

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

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

VII. PAYMENT

A. Amount

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

DR funding is not provided at the currently anticipated levels and/or if the actual costs for the approved activities are less than those set forth in the Budget (**Exhibit D**).

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

B. Requests for Reimbursements

The Subrecipient shall submit to PRDOH requests for reimbursements of activities under this Agreement and consistent with the approved Budget (hereinafter, the "Request for Reimbursement") and Scope of Work on a monthly basis. Each Request for Reimbursement shall be broken down into requested reimbursements against the Budget line items specified in **Exhibit D**.

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

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



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

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

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

VIII. NOTICES

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



CDBG-DR Grantee: Luis C. Fernández Trinchet, Esq., CFA
Secretary
Puerto Rico Department of Housing
606 Barbosa Avenue
Juan C. Cordero Building
Río Piedras, Puerto Rico 00918

Subrecipient: Luz A. Crespo Valentín, CEO
Puerto Rico Science, Technology and Research Trust
PO Box 363475
San Juan, Puerto Rico 00936-3475

IX. AMENDMENT AND TERMINATION

A. Amendments

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

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

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

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

B. Suspension or Termination

1. Termination for Cause

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

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

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

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

3. Notification and Recoupment of Costs Incurred Prior to Termination

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

4. Unilateral Termination

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

other materials property of the PRDOH. If the Subrecipient does not deliver to the PRDOH all information, studies, and other materials property of the PRDOH within the established timeframe, and the PRDOH invests any additional funds to reproduce the information, studies, and other materials not provided by the Subrecipient upon termination, then the PRDOH will disallow from payments to the Subrecipient under this Agreement the funds expended for the PRDOH to reproduce such information, studies, and other materials. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.

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5. Suspension

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

6. Immediate Termination

In the event the Subrecipient is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Subrecipient shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the Subrecipient of this Agreement or the Subrecipient of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act No. 2 of January 2, 2018, as amended, known as the "Anti-Corruption Code for the New Puerto Rico". The Subrecipient has a continuous obligation to report to PRDOH any proceedings which apply to the Subrecipient under this paragraph.

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

7. Period of Transition

Upon termination of this Agreement, and for **ninety (90) consecutive calendar days** thereafter (the Transition Period), Subrecipient agrees to make himself available to assist the PRDOH with the transition of services assigned to Subrecipient by the PRDOH. Subrecipient shall provide to the PRDOH the assistance reasonably requested to facilitate the orderly transfer of responsibility for performance of the Services to the PRDOH or a third party designated by the PRDOH. The Parties agree to execute a Transition Services Agreement for the Transition Period and Subrecipient will be paid at a reasonable, agreed upon hourly rate for any work performed for the PRDOH during the Transition Period.

8. Availability of Funds

This Agreement is contingent upon the availability of funds from HUD. It is expressly understood and agreed that the obligation to proceed under this Contract is conditioned upon the receipt of Federal funds. If the funds anticipated for the continuing fulfillment of the Agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to PRDOH, the PRDOH have the right upon **ten (10) working days**

written notice to the Subrecipient, to terminate this Agreement without damage, penalty, cost or expenses to PRDOH of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

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

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

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

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

A. General Compliance

The Subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 C.F.R. § 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this Agreement. See Federal Register Notice 83 FR 5844 (February 9, 2018). Notwithstanding the foregoing, (1) the Subrecipient does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. part 58 and (2) the Subrecipient does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. part 52. The Subrecipient shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this Agreement, regardless of whether CDBG-DR funds are made available to the Subrecipient on an advance or reimbursement basis. This includes without limitation, applicable Federal Registers: 2 C.F.R. part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974; 24 C.F.R. part 570 Community Development Block Grant; applicable waivers; Fair Housing Act, 24 C.F.R. § 35, 24 C.F.R. part 58, 24 C.F.R. part 135; National Historic Preservation Act, and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards and the environment; and Action Plan amendments and HUD's guidance on the funds. Also, Subrecipient shall comply, without limitation, those set forth in **Attachment F**.

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

The Subrecipient also agrees to comply with all other applicable Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines, whether existing or to be established, provided the same are applied to activities occurring after the date the policy or guideline was established, governing the Grant Funds provided under this

Agreement. In the event a conflict arises between the provisions of this Agreement and any of the foregoing, the Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines shall control and this Agreement shall be interpreted in a manner so as to allow for the terms contained herein to remain valid and consistent with such Federal, State, and local laws, regulations, HUD Notices, policies and guidelines.

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

B. Duplication of Benefits

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

C. Drug-Free Workplace

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

D. Insurance & Bonding

i. Required Coverage

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

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

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

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

ii. Endorsements

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

1. PRDOH, Government of Puerto Rico, HUD and its officers, agents and employees are named as additional insured (except Worker's Compensation) but only with respect to liability arising out of tasks performed for such insured by or on behalf of the named insured.
2. To provide waiver of subrogation coverage for all insurance policies provided or herein in favor of PRDOH and its respective officers, agents and employees.
3. The insurer shall be required to give PRDOH written notice at least **thirty (30) days** in advance of any cancellation in any such policies.

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

iii. Related Requirements

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

Considering the extenuating circumstances through which Puerto Rico and the World is going through, PRDOH will execute this Agreement conditioned to the submission of the aforementioned document within **sixty (60) days** of the lockdown being over, per the Comptroller of Puerto Rico's Circular Letter OC-20-20 authorization. **Failure to comply with the submission of the aforementioned documents may result in the withholding of reimbursements or the termination of this Agreement.**

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

The receipt of any certificate does not constitute agreement by PRDOH that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement. The insurance policies shall provide for **thirty (30) days** written notice to be given to PRDOH in the event coverage is substantially changed, cancelled or non-renewed.

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

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

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

E. Hold Harmless

The Subrecipient shall and hereby agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify the PRDOH and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, attorneys' fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of this Agreement, and losses of any form or nature arising from or related to the conduct of the Subrecipient in the performance of the efforts called for in this Agreement. This indemnity shall expressly include, but is not limited to, the obligation of the Subrecipient to indemnify and reimburse the PRDOH for any and all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in the PRDOH's enforcement of this Agreement or any portion thereof against the Subrecipient or otherwise arising in connection with the Subrecipient's breach, violation, or other non-compliance with this Agreement. This clause shall survive indefinitely the termination of this Agreement for any reason.

F. PRDOH Recognition

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

G. Logos Clause

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

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

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

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I. Financial & Program Management

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

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

J. Documentation and Record Keeping

The Subrecipient shall maintain all records required by applicable law to be maintained, including but not limited to the Federal regulations specified in (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 Agreement, as well as any additional records required by the PRDOH. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG-DR programs, as modified by the HUD Notices;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR funds;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR program;
- f. Financial records as required by (1) 24 C.F.R. § 570.502; and (2) 2 C.F.R. part 200;
- g. Other records necessary to document compliance with Subpart K of 24 C.F.R. part 570.

K. Access to Records

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

L. Record Retention and Transmission of Records to the PRDOH

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

Records shall be made available to PRDOH upon request.

M. Client Data and Other Sensitive Information

In the event that the Subrecipient comes to possess client data and other sensitive information as a result of this Agreement, then the Subrecipient shall maintain client data

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demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to PRDOH monitors or their designees for review upon request.

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

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

N. Close-Out

The Subrecipient obligation to PRDOH shall not end until all close-out requirements are completed. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the PRDOH), properly addressing Program Income (as that term is defined in section VI (A)(19)(a) of the HUD Notice 83 Fed. Reg. 5844, 5856 (February 9, 2018, as may be amended by HUD)), balances, and accounts receivable to the PRDOH), determining the custodianship of records, and the Subrecipient certification of compliance with the terms of this Agreement. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG-DR funds, including Program Income.

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

O. Audits and Inspections

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

P. Single Audit

The Subrecipient must be audited as required by 2 C.F.R. part 200, subpart F when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

Q. Inspections and Monitoring

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

R. Corrective Actions

The PRDOH may issue management decisions and may consider taking enforcement actions including but not limited to corrective actions in 24 C.F.R. § 570.910 if noncompliance is detected during monitoring and audits. The PRDOH may require the Subrecipient to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. A timely and appropriate action shall be predicated on reasonable standard wherein the Subrecipient utilizes all available resources to correct the noted issue or issues. In response to audit deficiencies or other findings of noncompliance with this Agreement, the PRDOH may impose additional conditions on the use of the CDBG-DR funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

S. Procurement and Contractor Oversight

The Subrecipient shall not enter into any contract for goods or services with any entity without the written consent of the PRDOH prior to the execution of such contract. Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property, equipment, or services in accordance with the requirements of the PRDOH's procurement policies and procedures, and 2 C.F.R. §§ 200.318-326, as applicable, including but not limited to the need to appropriately assess the lease versus purchase alternatives. PRDOH's procurement policies and procedures as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) is herein included and made integral part of this Agreement, as it may be updated from time to time.

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

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

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

T. Nondiscrimination

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

denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

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

U. Architectural Barriers Act and the Americans with Disabilities Act

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

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

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

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

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

1. General Compliance:

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

Act of 1964 or 24 C.F.R. part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 C.F.R. part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 2 C.F.R. part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

2. Assurances and Real Property Covenants:

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

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

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

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

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

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

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

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

4. Notifications

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

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

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

W. Labor Standards

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

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

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

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

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

the Agreement through which Federal assistance is provided. Subrecipient certifies and agrees that no contractual or other impediment exists that would prevent compliance with these requirements.

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

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

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

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

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

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

F. Noncompliance with HUD's regulations in 24 C.F.R. part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education

Assistance Act (25 U.S.C. § 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and sub contracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b)."

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

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

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

Y. Conduct

1. Contracts

- a. Approvals: The Subrecipient shall not enter into any contracts with any agency or individual in the performance of this Agreement without the written consent of the PRDOH prior to the execution of such Agreement.
- b. Monitoring: The Subrecipient will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
- c. Content: The Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any contract executed in the performance of this Agreement.
- d. Selection Process: The Subrecipient shall undertake to insure that all contracts awarded for the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements, as included in the CDBG-DR

Procurement Manual and Contractual Requirements, as found in the CDBG-DR Website (www.cdbg-dr.pr.gov) which is herein included and made integral part of this Agreement, as it may be updated from time to time. Executed copies of all contracts shall be forwarded to the PRDOH along with documentation concerning the selection process.

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

2. Hatch Act

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

3. Conflict of Interest

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

- a. It is presumed that the Subrecipient is subject to state and local ethic laws and regulations related to the conduct of its officers, employees or agents engaged in the award and administration of this Agreement.
- b. In the event the Subrecipient is not, the Subrecipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of this Agreement. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would rise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or Parties to sub Agreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-DR assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the CDBG-DR assisted activity, or with respect to the proceeds from the CDBG-DR assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of **two (2) years** thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee,

agent, consultant, officer, or elected or appointed official of the PRDOH, the Subrecipient, or any designated public agency.

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

Z. Citizen Grievances

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

AA. Technical Assistance and Trainings

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

XI. CDBG-DR POLICIES AND PROCEDURES

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

XII. INDEPENDENT CONTRACTOR

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

XIII. ASSIGNMENT OF RIGHTS

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

XIV. SEVERABILITY

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

XV. SECTION HEADINGS AND SUBHEADINGS

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

XVI. CONSOLIDATIONS, MERGERS, OR DISSOLUTIONS

In the event that participating entities are consolidated or merged with another entity or agency, Subrecipient 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, Subrecipient must ensure that the resulting entity becomes responsible for Subrecipient's tasks under this legal agreement. 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 Subcontractor under this Agreement 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 provide notice to any other agency or entity it may consider consolidating or merging with in advance, to advise and provide orientation on Subcontractor's duties under this Agreement and make the survival or transfer of those in Attachments D and E. Subcontractor is to tasks a condition to any merger, consolidation, or dissolution involving Subcontractor during the time span of this Agreement.

XVII. NON-WAIVER

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

XVIII. BANKRUPTCY

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

XIX. GOVERNING LAW JURISDICTION

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

XX. COMPLIANCE WITH LAW

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

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

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

XXII. SUBROGATION

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

XXIII. COMPTROLLER REGISTRY

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

Nonetheless, on April 15, 2020, the Comptroller of Puerto Rico issued Circular Letter OC-20-20 in which the **fifteen (15) day** period to remit a copy of the agreement to the Office of the Comptroller for registration following the execution of the agreement was extended until **fifteen (15) days** after the lockdown is over.

XXIV. ENTIRE AGREEMENT

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

XXV. FEDERAL FUNDING

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

XXVI. RECAPTURE OF FUNDS

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

XXVII. OVERPAYMENT

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

XXVIII. COUNTERPARTS

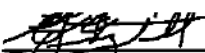
This Agreement may be executed in any number of counterparts, each of whom shall be deemed to be an original, however, all of which together shall constitute one and the same instrument. If the Agreement is not executed by the PRDOH within **thirty (30) days** of execution by the other party, this Agreement shall be null and void.

XXIX. SURVIVAL OF TERMS AND CONDITIONS

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

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

PUERTO RICO DEPARTMENT OF HOUSING, CDBG-DR Grantee


By: Luis C. Fernández Trinchet (Aug 14, 2020 17:29 EDT)
Name: Luis C. Fernández Trinchet, Esq., CFA
Title: Secretary

PUERTO RICO SCIENCE, TECHNOLOGY AND RESEARCH TRUST, CDBG-DR Subrecipient

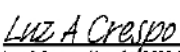

By: Luz A. Crespo (Aug 14, 2020 17:15 EDT)
Name: Luz A. Crespo Valentín
Title: Chief Executive Officer



EXHIBIT A

SCOPE OF WORK

RE-GROW PR URBAN RURAL AGRICULTURE PROGRAM

1. Program Overview/Background

The Scope of Work detailed below is for the Re-grow PR Urban Rural Agriculture Program (**Re-Grow Program** or **Program**). The goal of the Program is to increase food security on the Island and enhance and expand local agricultural production. This Program will serve to build capacity throughout the agricultural sector as a response to the devastation hurricanes Irma and María inflicted on Puerto Rico's agriculture economy and will reduce vulnerability to future events and simultaneously revitalize an important sector of Puerto Rico's economy.

2. National Objective

All activities of a CDBG-DR Pprogram must meet one (1) of the three (3) National Objectives defined in the authorizing statute of the CDBG Pprogram at 104(b)(3) of the Housing and Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5305. The Puerto Rico Department of Housing (**PRDOH**) anticipates that each Program's eligible activities will meet one of the below listed national objectives. PRDOH will work with entities who are funded through this Program to determine the national objective for each project according to 24 C.F.R. § 570.483 and listed here below:

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
 - Job Creation/Retention
 - Area Benefit
 - Limited Clientele
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))

PRDOH has set a goal to expend seventy percent (70%) of Re-Grow Program funds on projects that result in a benefit to LMI individuals or that demonstrably serve LMI areas.

3. Program Description

The total allocation for the Re-Grow Program is ninety-two million five hundred thousand dollars (\$92,500,000), subject to change with additional CDBG-DR Action Plan amendments.

The Re-Grow Program will provide Grants to existing, restarting, or start-up small farms and agricultural businesses. These grants are intended to strengthen the agricultural sector of the Puerto Rican economy. Eligible Applicants can apply for up to one hundred fifty thousand dollars (\$150,000) in direct grant assistance for eligible program costs as outlined in the program guidelines.. The amount of the grant award will be determined through eligibility review, underwriting, and a duplication of benefits calculation performed based on information provided on the application for assistance.

In addition to providing grants, the Program will provide a wide range of technical assistance activities across the agriculture sector, giving farms a famers access to essential services and resources. The technical assistance is intended to build capacity in organizations and agencies that bolster the agricultural sector of the economy.

4. Tasks

The Puerto Rico Science, Technology, and Research Trust (**PRSTRT**) will serve as the Subrecipient and administering entity for the Re-Grow Program under this Subrecipient Agreement (**SRA**) with PRDOH. In this role, the PRSTRT will manage all major aspects of the Program. The PRSTRT must work closely with the PRDOH and with Applicants to accomplish the identified tasks. The PRSTRT may be required to coordinate with other firm(s), contracted by the PRDOH that will be providing services for other CDBG-DR Programs.

PRSTRT will perform the required services detailed herein, and some tasks will require formal deliverables to the PRDOH. For every deliverable, PRSTRT must expect PRDOH's reasonable comments or revisions (request for changes) of delivered documents. PRSTRT must account for revisions or clarification requests by PRDOH related to required deliverables. Revisions must be resolved and accepted by the PRDOH before deliverables are invoiced to PRDOH.

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Required Program Management services are grouped into sixteen (16) Tasks that address major programmatic requirements, as outlined in **below**, and described in more detail below. Please refer to Exhibit B Timelines and Performance Goals for specific timeframes for each task.

Task Number	Task
4.1	Office Configuration and Logistics
4.2	Applicant Case Management and Applicant Communications
4.3	Application Intake
4.4	Eligibility Review
4.5	Environmental Review
4.6	Underwriting and Financial Review
4.7	Award Coordination
4.8	Agreement Management
4.9	Application Closeout
4.10	Compliance with Cross-Cutting Requirements
4.11	Project Management
4.12	Document Control and Management
4.13	Systems Development and Maintenance
4.14	Accounting and Reporting
4.15	Reconsideration and Complaints Resolution
4.16	Agriculture Technical Assistance Offerings

4.1. Office Configuration and Logistics

- 4.1.1. Set-up offices and secure necessary equipment for these offices to function. Office spaces must be suitable for the services to be provided, and provide required visitor amenities such as on-site parking, rest rooms, and comply with ADA accessibility requirements.
- 4.1.2. Secure or provide workspace items and materials such as furnishings and equipment for the offices (including such items as computers, printers, office materials, etc.).
- 4.1.3. Secure equipment and technologies required to support remote or virtual Program operations (including items such as laptop computers and MiFi devices).
- 4.1.4. Establish satellite offices as needed to support Program demands.

4.2. Applicant Case Management and Applicant Communications

- 4.2.1. Collaborate with PRDOH and maintain telephone systems or protocol to receive calls from the CDBG-DR Central Call Center with potential

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Applicants. Calls referred from the call center may require PRSTRT to guide Applicants through the application process; collect eligibility requirements, duplication of benefits, and other documents; and to make sure that complaints are properly addressed, among other items.

- 4.2.2. Provide responses to inquiries, comments, or complaints made by Re-Grow Applicants or in relation to the Re-Grow Program via phone, email, online web submission, social media post, or via other mediums.
- 4.2.3. Track all Applicant communication in the Program system of record.
- 4.2.4. Coordinate outreach efforts, including call-out campaigns and letter campaigns as requested by the PRDOH.
- 4.2.5. Provide written correspondence to all Applicants to relay the status of their file at critical stages. Correspondence may be sent via electronic or postal mail, depending on the nature of the notification or the communication preferences of the Applicant.
- 4.2.6. Provide Applicant technical assistance services to Applicants as required. This includes providing technical assistance to facilitate successful timely completion of eligibility review, underwriting, award coordination, disbursement of grant funds, and other Program milestones.
- 4.2.7. Adhere to reasonable customer service standards established by PRDOH. This may include tasks such as sending mass communication to Applicants whose applications may be on hold for any number of reasons.
- 4.2.8. Address, refer, or inform to PRDOH any communications, including inquiries or requests for information, as established in PRDOH policies.
- 4.2.9. Document outreach efforts and outcomes. Collaborate with PRDOH to establish key performance indicators and goals for outreach.
- 4.2.10. Follow PRDOH-established policies and procedures for conducting due-diligence in attempts to reach non-responsive and/or non-cooperative Applicants.
- 4.2.11. Any other task necessary to ensure proper relations of PRSTRT with its assigned Applicants.

4.3. Application Intake

- 4.3.1. Accept all Applicants, including those referred by the CDBG-DR Call Center or Municipalities Offices and related to the Re-Grow Program. Intake can be performed at on-site or off-site locations for special events or for Applicants with special needs. Intake will also be done using web-based application or over the phone.
- 4.3.2. Educate and guide the Applicant through the application information and document requirements and timing.
- 4.3.3. Assist the Applicant in the evaluation of his/her options.

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- 4.3.4. Collect required documentation as outlined in Program Guidelines. .
Collection of documents includes making contact with Applicants to assist and inform of outstanding items.
 - 4.3.5. Collaborate with Applicants and collect all relevant information required to make a Benefit Determination and Verification, including Duplication of Benefits (DOB).
 - 4.3.6. Request any additional information that may be required from the Applicants, including multiple contact attempts as needed.
 - 4.3.7. Verify that information submitted by Applicants is recorded in the system of record; contact the Applicant to resolve any missing or incomplete items.
 - 4.3.8. Document communications with Applicants regarding the status of their applications and subsequent related processes. All communication with Applicants shall be recorded in the system of record.
 - 4.3.9. Any other task necessary to complete the intake process of Applicants.

4.4. Eligibility Review

- 4.4.1. Perform a review of all documents required from Applicants and third parties and ensure that the provided documents are sufficient according to Program policies and procedures.
- 4.4.2. Work with Applicant, municipalities, taxing authorities, insurance companies, third-party inspectors, lenders, other vendors, and by using automated software such as underwriting software, as needed, to collect information to perform a complete eligibility verification of the applications.
- 4.4.3. Work in coordination with PRDOH to maintain records and communications for detection and prevention of fraud, waste, and abuse (FWA) of federal funds. FWA items must be addressed in accordance with established PRDOH policies.
- 4.4.4. Review documents and information provided by the Applicant to determine Program eligibility or ineligibility, in accordance with Re-Grow Program policies and procedures, as may be amended from time to time.
- 4.4.5. Send eligibility, ineligibility, missing documents letters, and any other required Program notifications. Notifications may be sent via email or postal mail, in accordance with any applicable regulations and Applicant communication preferences.
- 4.4.6. Advise Applicants who are deemed ineligible and inform them of the applicable appeals process.
- 4.4.7. Provide eligibility decision justification to appeals team, when necessary.
- 4.4.8. Review all open application, eligibility determination, and/or Applicant issues.

- 4.4.9. Document communications with Applicants regarding the status of their applications and subsequent related processes.
- 4.4.10. Any other task necessary to complete timely eligibility review of applications.

4.5. Environmental Review

- 4.5.1. Obtain all information required to determine the level of environmental review to be conducted. Review and submit to PRDOH all required forms for environmental reviews and provide all required documentation to support the environmental findings for exempt activities, activities requiring a Categorical Exclusion (CE) not Subject to 24 C.F.R. § 58.5, a Categorical Exclusion Subject to § 58.5, or Environmental Assessments.
- 4.5.2. Compile and submit to PRDOH all required forms for environmental reviews and provide all required documentation to support the environmental findings for exempt activities, activities requiring a CE not Subject to 24 C.F.R. § 58.5, a CE Subject to 24 C.F.R. § 58.5, and Environmental Assessments.
- 4.5.3. Consult and coordinate with necessary local, Government, or federal agencies to facilitate required environmental clearance, when applicable.
- 4.5.4. Coordinate for the preparation of responses to comments received from public or private entities during comment phases of the environmental review, when applicable.
- 4.5.5. Coordinate with Applicants and PRDOH to ensure the appropriate level of environmental review is performed and no un-authorized work is conducted prior to issuance of the Authorization to Utilize Grant Funds (AUGF), when applicable.
- 4.5.6. Submit of a copy of the environmental review in the PRDOH system of record.
- 4.5.7. Perform all necessary site visits to the project location during the development of the environmental review and include findings from the site visit as part of the environmental review record.
- 4.5.8. Prepare and submit publications for all public notices including, but not limited to, Finding of No Significant Impact (FONSI), Request for Release of Funds (RROF), and early and final notices for compliance with E.O. 11990 and E.O. 11988, as required.
- 4.5.9. Provide documentation of clearance for parties known to be interested as required by 24 C.F.R. § 58.43
- 4.5.10. Complete environmental re-evaluations per 24 C.F.R. § 58.47, as required.

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4.5.11. Any other task necessary to complete the environmental review process.

4.6. Underwriting and Financial Review

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- 4.6.1. Gather documents and data – Assist Applicants in providing, and obtaining all documentation required to perform underwriting for Re-Grow grants, inclusive of, but not limited to, information regarding previous benefits received from public and private sources, financial statements, credit reports, external funding commitments, and tax returns. Assistance may include, but is not limited to, providing technical assistance or guidance to Applicants, or contacting third party entities on the Applicant's behalf to obtain information.
 - 4.6.2. Perform grant underwriting based on PRDOH established underwriting criteria, and in conformance with the requirements of 24 C.F.R. part § 570, Appendix A for economic development activities, inclusive of:
 - 4.6.2.1 Reasonableness of project costs
 - 4.6.2.2 Verifying that all project funding sources are accurate and committed
 - 4.6.2.3 That to the extent practicable, CDBG-DR funds are not substituted for non-Federal financial support
 - 4.6.2.4 That the project is financially feasible
 - 4.6.2.5 That to the extent practicable, the return on the owner's equity investment will not be unreasonably high
 - 4.6.2.6 That to the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project
 - 4.6.3 Determine Applicant award amounts based on Re-Grow policies and procedures, to and with consideration for preventing duplication of benefits.
 - 4.6.4 Use third-party datasets, as provided by PRDOH, to research previous benefits received by Program Applicants and account for previous benefits received that are duplicative and non-duplicative of funding provided by the Re-Grow Program.
 - 4.6.5 Obtain credit reports for Applicants, in accordance with applicable statutory and regulatory requirements.
 - 4.6.6 Send award notification, underwriting requests for information, underwriting fail notifications and any other required Program notifications. Notifications may be sent via email or postal mail, in accordance with any applicable regulations and Applicant communication preferences.

- 4.6.7 Any other function necessary to support and complete underwriting review of applications.

4.7. Award Coordination

- 4.7.1 Inform the Applicant about the award in writing and provide him with guidance as to the next steps to be taken by the Program.
- 4.7.2 Schedule and conduct award coordination meeting to ensure that the Applicant is informed about the process, the eligible items for purchase with award funding and the conditions of accepting a Re-Grow award prior to signature of the grant agreement. This information may be shared in-person, via telephone, or using virtual meeting platforms.
- 4.7.3 Coordinate signature of grant agreement and collect any other documents or information required prior to disbursement of award, which may include bank account information, quotes, or estimates for planned expenditures, etc.
- 4.7.4 Obtain and upload to the PRDOH system of record all required documents, signed and/or notarized when necessary.
- 4.7.5 Submit timely requests for disbursement of Applicant awards from PRDOH, using templates provided by PRDOH.
- 4.7.6 Disburse grant funding in any other agreed upon mechanism to Applicants within **seven (7) business days** of receipt of funding from PRDOH.
- 4.7.7 Any other task required to support timely award and disbursement of awarded grant funding.

4.8. Agreement Management

- 4.8.1 Work with awarded Applicants to gather documents and data demonstrating expenditure of awarded funding in accordance with the terms of the agreement.
- 4.8.2 Work with award Applicants to gather documents and data to support achievement of a HUD National Objective, including but not limited to information on number of LMI jobs created or retained, LMI service area, documented evidence of meeting an urgent need, or elimination of slum and blight.
- 4.8.3 Monitor awarded Applicant for continued compliance with ongoing terms or responsibilities through the expiration date of the Applicants' grant agreement.

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- 4.8.4 In the event of an Applicant default on terms of the grant agreement, coordinate corrective actions, including recapture of Program funding, as may be required.

4.9. Application Closeout

- 4.9.1 Ensure that all Program funding has been expended as stipulated in terms of grant agreement and suppliers have completed all tasks required by the award to the Applicant.
- 4.9.2 Ensure that all payments for tasks performed as related to the Applicants and their awards have been performed by the PRSTRT and all applicable PRDOH quality control reviews have been completed.
- 4.9.3 Ensure that all supporting documentation, information, and log of Applicant communications is included in the application file.
- 4.9.4 Ensure that all environmental activities were performed, and the all environmental permits are closed out.
- 4.9.5 Ensure that the Applicant was able to obtain flood insurance, if applicable, after Program funded activities are completed.
- 4.9.6 Ensure compliance with 2 C.F.R. part 200 Subpart F, 24 C.F.R. § 570.509, Closeout Notices, and PRDOH CDBG-DR Closeout Process, as may be applicable to the application.
- 4.9.7 Any other task necessary to ensure proper closeout of the Re-Grow Application.

4.10. Compliance with Cross-Cutting Requirements

- 4.10.1 Uniform Relocation Act – Ensure all Program activities comply with the URA, as outlined in its implementing regulation at 49 C.F.R. § 24, and in accordance with the PRDOH URA and Residential Anti-Displacement Policy Guide.
- 4.10.2 Ensure Re-Grow Program Activities are carried out in a manner that is compliant with applicable cross-cutting requirements as outlined in the PRDOH cross-cutting policy guide, as may be amended from time to time.

4.11. Project Management

- 4.11.1 Establish, communicate, prioritize, and enforce production and performance goals in alignment with Program priorities and objectives. Lead coordination and control over execution of all Program activities.
- 4.11.2 Monitor and control team performance (including all staff and vendors under the PRSTRT's direct and indirect supervision) in accordance with

established performance goals, regulatory compliance, and quality standards and recommend corrective action and/or performance plan for underperforming team members, subcontractors, vendors, or other staff.

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- 4.11.3 Act as point of contact between the PRDOH or its representative, Applicants, and elected officials for all Re-Grow issues. Lead, coordinate, and facilitate all necessary high profile, Program-wide public presentations and meetings, Applicant meetings and government or non-government stakeholders' meetings.
 - 4.11.4 Create, maintain, and control project plan which includes clear critical path, task dependencies, identified slack, resource allocation (including human and other resources), and activity status.
 - 4.11.5 Deliver staff listed in Exhibit C promptly to support Program demands, which may increase and decrease or change throughout the Program life cycle. Ensure sufficient staff at all times to support timely and efficient Program operations.
 - 4.11.6 Establish, communicate, and enforce standard, efficient, and streamlined processes and strategies to support delivery of Program goals, risk management, quality assurance, stakeholder management, and change management; engage in total quality management practices to regularly evaluate effectiveness of established processes and implement change when needed. Processes may be subject to PRDOH review and approval.
 - 4.11.7 Lead and review all program monitoring activities to prepare and present reports, data, documents, or other information as required by the PRDOH, HUD, the US Office of Inspector General (OIG), or other oversight entities.
 - 4.11.8 Engrain transparent, regular reporting to ensure stakeholders of all levels and importance remain informed and empowered to make decisions and report on issues such as, but not limited to: risk, Program progress, milestones achieved, performance issues, Program successes, compliance concerns, and Program demographics.
 - 4.11.9 Maintain a complete understanding of all applicable Program policies, requirements, procedures, guidelines; and shall possess knowledge of regulatory and statutory compliance requirements for CDBG-DR and similar programs/projects. Ensure all Program participants, including Applicants, vendors, and stakeholders are aware of all policy changes.
 - 4.11.10 Identify and promote any other function in support of the successful achievement of Program's objectives.

4.12. Document Control and Management

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- 4.12.1 Store, archive, and retrieve physical documents and electronic images of all paper documents, Applicant-related emails, correspondence, training material, policies and procedures, and other documents or materials as may be required.
 - 4.12.2 Establish and maintain protocols for physical file management, as applicable, to include, among other things, access to a file, tracking of location and possession of a file, and return of a file.
 - 4.12.3 Ensure all project information and documentation is available at all times in the system of record.
 - 4.12.4 Any systems, tools, or technology provided must meet Personal Identifiable Information (PII) requirements as outlined in the Privacy Act of 1974, 5 U.S.C. § 552a (Privacy Act), 24 C.F.R. part 5, and PRDOH policy for protection of PII.
 - 4.12.5 Provide sufficient, appropriate document control and management to meet the financial and documentation requirements for CDBG-DR grants. At a minimum, the following records are required:
 - 4.12.5.1 Records providing full description of each activity;
 - 4.12.5.2 Records verifying that activity meets national and grant objectives;
 - 4.12.5.3 Records related to demonstrating eligibility of activities;
 - 4.12.5.4 Records required to document activity related to real property;
 - 4.12.5.5 Records documenting compliance with cross-cutting requirements, as applicable;
 - 4.12.5.6 Financial records and reports required by the Program; and
 - 4.12.5.7 Records supporting any specific requirements of the Re-Grow Programs or the CDBG-DR allocations.
 - 4.12.6 Any other task necessary for the proper document control management.

4.13. Systems Development and Maintenance

- 4.13.1 Provide Applicant status and documentation tracking capabilities within grant management system.
- 4.13.2 Ensure digital application captures sufficient information to satisfy all requirements outlined in Program Guidelines.
- 4.13.3 Provide information storage and tracking capabilities for agreed applicable HUD requirements.

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- 4.13.4 Ensure all Program Applicant correspondences are automated through the system for efficient status communications with Applicants through all stages of application received through closeout.
 - 4.13.5 Provide functionality for storing information and statuses of all Program Applicants and their progress through the Program.
 - 4.13.6 Ensure sufficient system security protocols remain in place and maintained for all Program information, including necessary SSL certificates and encryption methods for all data transmitted within the system.
 - 4.13.7 Develop data mapping capabilities that enable PRDOH access and retrieve all vital Program information needed to monitor grants and Program progress. Support PRDOH in retrieval and understanding of all programmatic data. Vital Program information reports will be generated on a weekly basis.
 - 4.13.8 Establish a data back-up and redundancy plan for all data transmitted through the system.
 - 4.13.9 Train all systems users sufficiently to utilize Program systems for efficient implementation and documentation tracking within systems.
 - 4.13.10 Collaborate with PRDOH for periodic systems assessments and improvements as needed.
 - 4.13.11 Ensure reporting capabilities for performance metrics to measure Program progress are in place.

4.14. Accounting and Reporting

- 4.14.1 Provide status reports on a regular basis to keep the PRDOH informed of progress.
- 4.14.2 As requested, meet with the PRDOH to discuss the status of the project, Applicant concerns, and any other issues that may have arisen during the administration of the assigned Re-Grow Program.
- 4.14.3 Provide the PRDOH with project progress reports on demand, as well as access to the project management system for PRDOH to monitor the project.
- 4.14.4 Report on information that includes project activity deemed critical by the PRDOH.
- 4.14.5 Compile and review information necessary to prepare reports required under HUD regulations.
- 4.14.6 Account for and reconcile, (a) all federal funds requested and drawn from HUD and awarded to grant recipients, (b) all funds returned by Applicants, (c) all funds deposited by Applicants to reduce duplicative

benefits potential award gap, and (d) all other funds returned by Applicants.

- 4.14.7 Reconcile with the PRDOH, on an established periodic basis, a complete inventory of assets with an acquisition price of five hundred dollars (\$500) or more and a useful life of one (1) year or longer, furnished by the PRDOH or funded by the CDBG-DR grant, including items such as: equipment, furniture, computers, phones, laptops, network printers, network equipment, etc., if applicable.
- 4.14.8 Review and submit recommendations for approval of CDBG-DR funding requests if needed.
- 4.14.9 Review requests for payment from Applicants for CDBG-DR awards. This will include review of all reimbursement of eligible costs as well as cost feasibility.
- 4.14.10 Any other task necessary to ensure proper accounting and reporting as related to the Program.

4.15. Program-Based Reconsideration Requests and Complaints Resolution

- 4.15.1 Coordinate resolution of complaints or Program-based reconsideration requests as related to Re-Grow Program, in accordance with PRDOH complaints management policies, where applicable.. Program-based reconsiderations requests must be received in writing to be considered.
- 4.15.2 Perform interviews, surveys, or investigation needed to determine validity and resolution or determination of submitted Program-based reconsideration requests or complaints, in accordance with applicable PRDOH policies.
- 4.15.3 Provide prompt report to PRDOH of complaints received and identified resolution or mitigating action, in accordance with applicable PRDOH policies. Collaborate with PRDOH Legal Division as needed to resolve complaints.
- 4.15.4 Prepare documentation requested by PRDOH as it may apply. Comply with any requests from the PRDOH as related to reconsiderations, administrative review requests, or complaints.
- 4.15.5 Inform Applicants in writing of determination made regarding Program-based reconsideration requests. Respond in writing to all complaints received in writing.
- 4.15.6 Maintain record of all Program-based reconsideration requests and complaints and provide report on the same as requested by PRDOH.
- 4.15.7 Any other tasks necessary to support the prompt and adequate resolution of complaints and adjudication of Program-based reconsideration requests and administrative review requests, in accordance with applicable PRDOH policies.

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4.16. Agriculture Technical Assistance Offerings

- 4.16.1 Provision of agricultural skill building educational activities through existing or expanded programmatic offerings.
- 4.16.2 Provide programmatic offerings that support identified farmer needs and service gaps currently existing in the agricultural economic sector.
- 4.16.3 Create or collaborate to offer farmer support services that build capacity across the industry.

5. Time Performance

The Program shall be completed in a **thirty-six (36) month** period, as per the Term stated in the Agreement.

6. Budget

The PRSTRT's budget for the delivery of Program activities is thirty million four hundred and seventy one thousand nine hundred and ninety nine dollars and fifty two cents (\$30,471,999.52).



EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

RE-GROW PR URBAN RURAL AGRICULTURE PROGRAM

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Timelines and Performance Goals for the Re-Grow PR Urban Rural Agriculture Program (**Re-Grow Program** or **Program**) for the Puerto Rico Science, Technology, and Research Trust (**PRSTRT**) are outlined below as they correspond with the tasks outlined in Exhibit A- Scope of Work. Any reference made to the start or completion of a specific task outlined below speaks to begin and end of that task as it relates to a specific application. The tasks and timelines and performance goals contained herein with a description of begin and end shall be completed in accordance with identified performance and timing goals described for each application which requires completion of the task. It is understood that for all application-specific tasks, Applicant cooperation is needed to some extent. If the task cannot be completed due to non-responsiveness, non-cooperation, withdrawal, or other Applicant-initiated or Applicant-created barriers, the barrier shall be adequately documented in the Program system of record to demonstrate why completion of the task was not possible or not possible within established timeframes. In accordance with Program Guidelines, PRDOH will perform monitoring and oversight functions of PRSTRT's performance in carrying out the tasks contained in this Exhibit B, as necessary.

TASK 1: OFFICE CONFIGURATION AND LOGISTICS

The office configuration and logistics tasks refer to having the tools, resources, and space required to provide services under the Re-Grow Program.

- PRSTRT shall deliver staff, equipment, and software required to accept and process applications remotely by **Program Launch Date**, that will begin within **thirteen (13) business days** of **SRA full execution**.
- Physical office space shall be established and available to accept Applicants and other stakeholders in person within **one (1) month** of execution of the Subrecipient Agreement (**SRA**). Physical office space may be existing space possessed by PRSTRT, a portion or space shared with other programs or functions of PRSTRT, or a stand-alone Re-Grow Program Center.
- Physical office space and remote work capabilities shall be maintained in good working order to support Re-Grow Program activities for the **duration of the SRA**.
- Satellite offices shall be established as needed.

TASK 2: APPLICANT CASE MANAGEMENT AND APPLICANT COMMUNICATIONS

Applicant case management and communications refers to the overall technical assistance, communication, relationship management, interview, and pursuit of information from Re-Grow Program Applicants. This task also encompasses external relations, collaboration with PRDOH public relations team, and general outreach activities. This task is expected to persist throughout the life of the project, with the focus and frequency of communications shifting throughout the Program lifecycle.

- Calls transferred from PRDOH call center shall be answered at a minimum rate of **75% of calls answered** throughout the duration of the SRA¹.
- Unanswered calls, both those unanswered calls transferred from PRDOH call center and unanswered calls directly to PRSTRT, shall be returned within **two (2) business days** of the missed call. Successful and unsuccessful outbound calls shall be recorded in the Program system of record when such calls are associated with existing Program applications.
- Provide response to all inquiries, complaints, issues, and communications items referred by PRDOH within **five (5) business days** of receipt. It is preferred that responses to issues referred by PRDOH are attended to earlier than the **five (5) business day period**, when possible.
- Written correspondence outlined in Re-Grow Program policy or procedures, shall be sent to Applicants within **one (1) business day** of the event triggering the correspondence. Events that trigger standard written correspondence include, but are not limited to: eligibility determination, determination of award, missing documents or missing information, adjudication of Program-based reconsideration requests, Applicant-initiated withdrawal, non-responsive Applicants, application closeout or de-activation, and other events as may be determined by amendments or revisions to Program Guidelines or Program standard operating procedures.
- Respond to Applicant communication within **two (2) business days** of receipt of communication.
- Refer inquiries or complaints, including recommended response or resolution to PRDOH within **two (2) business days** of receipt of inquiry or complaint. High-profile inquiries are those which come from elected officials, oversight entities, media, or other well-known organizations.
- Information requested by PRDOH in support of marketing and outreach efforts shall be provided within **three (3) business days** of request.

TASK 3: APPLICATION INTAKE

¹ Call answer rate shall be monitored during business hours only. Call received outside of normal business hours are not subject to the answer rate outlined herein.

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Application intake is the task referring to collecting applications from interested businesses. Application intake begins with conveying information about the Re-Grow Program to the public and interested parties and ends when complete applications are received in the Program system of record. It is expected that application intake will begin within **thirteen (13) business days** of **SRA full execution**, which could be extended due to an Act of God or force majeure, and that application intake will persist for several months. In the event of an Act of God or force majeure which delays beginning of application intake, PRSTRT shall notify PRDOH of any such delay and shall make a good faith effort to start application intake, as soon as reasonably practicable. An application intake period close date may be later determined based on Program demands and subscription levels. PRDOH will inform PRSTRT in writing of the application intake close date. PRDOH reserves the right to initiate subsequent application intake periods after the initial period has closed, if Program demands and budget allows. PRDOH shall notify PRSTRT in writing of any subsequent application intake period(s).

- Applicant referrals from the CDBG-DR call center, municipal offices, or PRDOH shall be contacted to initiate submission of an application and to provide technical assistance in the submission of an application within **five (5) business days** of referral. If it is not possible to reach the referred Applicant, PRSTRT shall document its reasonable attempts to do so.
- A dedicated staff member, typically those staff dedicated to performing intake and eligibility reviews, must be assigned to each application within **ten (10) business days** of receipt of the application. Such assignments shall be tracked and recorded in the Program system of record. Assignments not made in the Program system of record shall not be considered.
- Documents submitted by Applicants after the time of original application submission shall be uploaded to the Program system of record within **two (2) business day** of submission.

TASK 4: ELIGIBILITY REVIEW

Eligibility review is the task related to determining whether an Applicant meets eligibility criteria to participate in the Re-Grow Program. The eligibility review task begins when an application is submitted and ends when the Applicant is notified that the business is eligible or not eligible for the Program. Throughout the eligibility review task, proactive communication with Applicants and/or third-party entities is needed to ensure that Applicants understand what is required to demonstrate eligibility, to provide technical assistance, or to collect outstanding information directly from Applicants or third parties. The eligibility review task overall will persist as long as Program demands.

- Initial eligibility review for submitted applications shall be completed within **twenty (20) business days** from the date a dedicated team member is assigned to the case. Initial eligibility review shall be considered complete when one of the following actions occurs: (1) Applicant is notified in writing that they are eligible; (2) Applicant is notified in writing that they are not eligible; or (3) Applicant is notified in writing that documents and/or information needed to make a determination of eligible or not eligible is missing and must be submitted.

TASK 5: ENVIRONMENTAL REVIEW

Environmental review is the task that documents compliance with applicable HUD environmental regulations. Environmental level of review for the Re-Grow Program is variable, based on the scope of items to be funded with Re-Grow Program grant funds. The environmental review task begins when an Applicant is notified that they are eligible for the Re-Grow Program and ends when the application file contains documented evidence that the appropriate level of environmental review has been completed. This task may be completed concurrently with the Underwriting task.

- Documented compliance with applicable environmental standards must be submitted and approved by PRDOH prior to completion of Underwriting review for each application.

TASK 6: UNDERWRITING AND FINANCIAL REVIEW

Underwriting and financial review is the task by which the Re-Grow Program determines that the eligible entity and project comply with HUD Underwriting Criteria. It is during the underwriting and financial review task that duplication of benefits review is completed, and duplicative and non-duplicative assistance previously received by the Applicant is quantified. The underwriting and financial review task begins when an Applicant is notified in writing that they are eligible for the Re-Grow Program and ends when underwriting review is complete. Underwriting review can be complete with any of the following outcomes: (1) Award amount is determined (taking duplicative assistance into consideration); (2) the Applicant is deemed not to comply with HUD underwriting criteria and therefore not eligible to receive an award and is notified in writing of such determination; or (3) Applicant fails to provide sufficient information to complete underwriting review, after being given adequate opportunity to do so.

- A staff member shall be specifically assigned to complete underwriting review within **ten (10) business days** of the Applicant being notified of his/her eligibility.

- Initial underwriting review shall be completed within **ten (10) business days** of assignment of staff to conduct underwriting review. Initial underwriting review shall be considered complete at such time when: (1) Applicant award is determined; (2) Applicant is notified in writing that they do not comply with HUD underwriting criteria and is thus not eligible to receive an award; or (3) Applicant is notified in writing that documents and/or information required to complete underwriting review are missing and must be submitted.
- Underwriting quality control (QC) reviews shall be completed within **ten (10) business days** of the case being submitted for said review. Underwriting QC review shall be considered complete when: (1) QC review concurs with the determinations made; or (2) the QC review reveals deficiencies.

TASK 7: AWARD COORDINATION

The award coordination task is inclusive of tasks required to inform Applicants of Program award and the responsibilities associated with accepting an award, and collection of requisite documents for acceptance of award and disbursement, as outlined in Re-Grow Program Guidelines and/or standard operating procedures. The award coordination task begins after the underwriting and financial review has deemed the Applicant eligible for award and determined the amount of said award. The award coordination task ends when funds are disbursed to the awarded Applicant.

- Award coordination meeting shall be conducted within **ten (10) business days** of sending notification of award. If it is not possible to schedule or conduct within **ten (10) business days**, the Applicant file should be documented to include reasonable efforts taken to schedule award coordination meeting and reasons said meeting was not conducted.
- Submit invoices to request disbursement of grant funding on a regular basis, not less than once per month².
- Disburse grant funds to awarded Program Applicants within **seven (7) business days** of receipt of said funds from PRDOH.

TASK 8: AGREEMENT MANAGEMENT

The agreement management task generally involves ensuring that awarded Applicants comply with the specific terms and conditions of the grant agreement for the Re-Grow Program grant award. The agreement management task begins at the

² It is expected that during some months, there will not be Program demand for grant award invoice requests. During months when no grant awards are pending to be invoiced to PRDOH, invoices need not be submitted for grant awards.

point when an Applicant has an executed grant agreement and ends when the agreement is closed and all terms and conditions contained therein are met.

- Perform initial review of expenditure of grant funds within **ten (10) business days** of the date stipulated in the agreement by which the Applicant must demonstrate compliant expenditure. Initial review of expenditure shall be considered complete when: (1) Expenditures are deemed compliant and properly documented in Program system of record; (2) Expenditures are deemed non-compliant and recapture of funds has been initiated; or (3) the Applicant is notified in writing that documents and/or information required to document expenditure are missing and must be submitted.
- Document HUD National Objective within **ten (10) business days** of the date stipulated in the agreement by which the Applicant must demonstrate achieving a HUD national objective.
- Notify PRDOH within **five (5) business days** of determining that an Applicant must repay all or a portion of the Re-Grow Program grant.

TASK 9: APPLICATION CLOSEOUT

The application closeout task encompasses the final quality control review and collection of any outstanding documents and/or information required to ensure application file is complete prior to marking the case as closed. The application closeout task begins after all funds have been expended, expenditures have been documented as compliant and a HUD national objective has been recorded. The application closeout process ends when the application file is marked closed and the Applicant is notified in writing that their Re-Grow Program application has been closed.

- Complete closeout of applications within **twenty (20) business days** of documented compliant expenditure and achievement of a HUD National Objective.

TASK 10: COMPLIANCE WITH CROSS-CUTTING REQUIREMENTS

The compliance with cross-cutting requirements task involves ensuring that all activities associated with the Re-Grow Program are performed in accordance with cross-cutting Federal, State, or local regulations and PRDOH cross-cutting policies and procedures. This task shall endure through the life of the SRA and may extend beyond the life of the SRA for cross-cutting items that require such. PRDOH will be available to provide technical assistance and guidance on cross-cutting requirements throughout the life of the grant. If technical assistance is needed, PRSTRT should request it immediately upon identifying the need.

TASK 11: PROJECT MANAGEMENT

The project management task refers to the general management of human resources, tasks, schedules, risk, stakeholders, change implementation, training, and reporting for the Re-Grow Program. This task shall endure for the life of the SRA.

- Within **one (1) month** of execution of the SRA, establish initial production and performance goals for completion of eligibility review, underwriting and financial review, and award coordination and disbursement. Goals shall be set in collaboration with PRDOH and revisited or adjusted quarterly or as needed.
- Provide PRDOH with reports regarding Program progress and production at a frequency to be determined by PRDOH.
- Provide PRDOH with ad hoc reports within **five (5) business days** of request, when feasible.

TASK 12: DOCUMENT CONTROL AND MANAGEMENT

The document control and management task refer to proper storage, archival, and use of documents and information collected by the Re-Grow Program, including information and/or documents which may include Personal Identifiable Information (PII). This task shall persist through the life of the SRA and beyond as specified in the SRA.

- Report any data breach, identified cause and scope of breach, and recommended solution to PRDOH within **three (3) business days** of identified breach. PRSTRT shall continue to work with PRDOH until the breach is resolved, as necessary.

TASK 13: SYSTEMS DEVELOPMENT AND MAINTENANCE

The systems development and maintenance task include general tasks associated with development, modification, and maintenance of information technology systems related to the Program. This task shall include all work scope associated with continual functionality of these systems for the entirety of the SRA.

- Ensure application is developed, tested, and ready for receiving applications by Program launch date.
- Within **one (1) month** of Program launch ensure grant management systems have minimum capability of Program document tracking, Applicant status tracking, automated programmatic notifications, application requirement data mapping.

- Within **two (2) months** of Program launch ensure systems have Program progress reporting capabilities for key performance indicators agreed upon with PRDOH.
- Establish data back-up, redundancy plans, and training for all system users within **three (3) months** of program launch.

TASK 14: ACCOUNTING AND REPORTING

The accounting and reporting task includes general tasks associated with basic accounting, reporting, and cost justification. This task shall persist through the entire term of the SRA and beyond as outlined in the SRA.

- Respond to PRDOH requests for monthly progress reports within **five (5) business days** of request.
- Comply with periodic inventory of items furnished by PRDOH.

TASK 15: PROGRAM BASED RECONSIDERATION REQUESTS AND COMPLAINTS RESOLUTION (APPEALS PROCESS)

The Program-based reconsideration requests and complaints resolution task involves activities necessary to attend to citizen or Applicant complaints and to adjudicate Program-based reconsideration requests initiated by Program Applicants. This task is expected to be recurring throughout the life of the SRA. The Program-based reconsideration requests and complaint resolution task is initiated when a citizen or Applicant submits a Program-based reconsideration request or a formal or informal complaint. The task is considered complete when a Program-based reconsideration request is adjudicated or when a complaint has been adequately responded to. PRSTRT shall also cooperate PRDOH with information and documents related to administrative review requests, as needed.

This task is based on PRDOH's policies and procedures related to Program-based reconsiderations requests, administrative review requests, and complaints. If any of these policies are modified during the duration of this SRA, this task will be modified accordingly without the need to amend this SRA. Meaning that these terms during which PRSTST shall act as described herein, shall be contingent on PRDOH's policies and procedures.

- Inform PRDOH of complaints received and identified resolution or mitigating action within **fifteen (15) calendar days** of receipt of formal complaint.
- Respond to formal complaints within **fifteen (15) calendar days** of receipt.
- Adjudicate Program-based reconsideration requests within **fifteen (15) calendar days** of receipt.

- Submit information requested by PRDOH related to complaints or administrative review requests within **five (5) business days** of request. Timeline to respond to complaints or administrative review requests may be extended upon consideration of unique facts impacting the case.

TASK 16: AGRICULTURAL TECHNICAL ASSISTANCE OFFERINGS

Develop and provide agricultural skill building educational activities through existing or expanded programmatic offerings that support identified farmer needs and service gaps currently existing in the agricultural economic sector. Create or collaborate to offer farmer support services that build capacity across the industry.

- Begin development and implementation of task within **six (6) months** of Program launch.

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EXHIBIT C

KEY PERSONNEL

RE-GROW PR URBAN-RURAL AGRICULTURAL PROGRAM

Below is the Staffing Plan for the CDBG-DR **Re-Grow PR Urban-Rural Agricultural Program (Re-Grow Program or Program)** which reflects a combination of existing employees and new hired employees dedicated to the Program.

I. **Roles Description:**

Role	Description
Chief Executive Officer	Provides executive leadership and oversight of externally funded projects to ensure meeting programmatic, as well as compliance requirements.
Chief Financial Officer	Responsible for the design and compliance of fiscal systems in compliance with the program and funding requirements. Responsible for organization's financial audits, including single audit procedures. Oversees all financial activities and supports reporting and invoicing requests.
General Counsel & Administrator	Responsible for managing contractual relations between the Trust, funders and agreements entered with program beneficiaries. Administer the legal, human and physical resources to support the effective and efficient operations of divisions and projects. Responsible for assisting on strategic and tactical legal initiatives and special projects.
Chief Marketing & Communications Officer	Oversees all marketing activities and communications of the programs. Activities include communications and media stakeholders, web and content development, social media, major events, among others.
Procurement Director	Responsible for managing the procurement processes to supply products and services for the performance of the program. Develops strategies to find cost-effective terms and suppliers, according to procurement policies.

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Compliance Officer	Provides guidance and support to ensure program compliance with all applicable regulations, statutes, and policies. Is up to date with compliance regulations and changes and advises the program director and the executive team on compliance matters and concerns.
RGRW Program Director	Monitors and oversees the performance, progress and compliance of the program on a daily basis to ensure effective use of funds and resources in accordance with grant contract terms and agency requirements, as well as ensures compliance with federal, state, and PRSTRT policies and regulations. Responsible for maintaining an efficient and complete administrative record of all grant activities.
Marketing & Communication Manager	Responsible for the coordination and execution of all marketing, communications and outreach efforts to promote program eligibility and benefits among target audiences.
Customer Service Manager	Manages the customer and technical assistance services operations on a daily basis. Oversees the customer service and technical assistance activities to ensure services are provided on time and according to the SOW specifications.
Senior Case Manager	Coordinates and provides service that is safe, timely, effective, efficient, equitable, and client centered. Handles case assignments, drafts service plans, reviews case progress and determines case closure.
Lead Underwriter	Responsible for the management and execution of the underwriting process in accordance with the SOW and timeline requirements. Advises on applicants grant eligibility based on individual financial assessments and analysis.
Additional Program Staff	
Administrative Assistant	Responsible for the performance of office procedures that may include a combination of answering telephones, typing or word processing, filing, manage and maintain officers' schedules, meeting coordination, presentation preparation, and assist the program director with general administrative and communication tasks.
Grant Management Specialist	Provides technical guidance and supports the development, maintenance and troubleshooting of the program application system platform. Help prepare progress reports, dashboards, and help develop orientation materials and other resources required to inform about program progress.
IT Developer	Research, design, develop, and test operating systems-level software, compiles, and network distribution software for business, scientific, and general computing applications. May design, develop monitor and/or analyze information to determine, recommend, and explain installation of a new system or modification of an existing. Supports the program team with general IT related activities. Monitor functioning of equipment and train users to use new or modified equipment.

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Legal Associate	Provides support in legal proceedings and draw up legal documents, contracts, and manage or advise on legal transactions. Interprets laws, rulings, regulations and advise on transactions, legal rights and obligations.
Accounting Specialist	Contributes to the efficient and effective workings of the finance department by executing daily tasks with a strong attention to detail. Activities include processing of accounts payable and receivable, and ensure transactions meet internal and program controls when applicable. Assesses and processes employees expense reports and validates compliance with guidelines and requirements.
Procurement Specialists	Responsible for the supply of products and services to the program following established processes. Responsibilities include planning and coordinating supply management, procurement processes and/or delivery of products/parts and services following the Trust policy and other regulatory requirements, as needed.
Application Intake / Customer Service Representatives	Interact by telephone, email or in person with applicants and other individuals to answer questions, disseminate or explain program information, and address complaints. Assist and support applicants during the application process to ensure successful and timely submission of documents. May also provide technical services to applicants on a case by case basis.
Social Media Specialist	Supports the program branding strategy and the implementation of best practices on social media outlets such as: Facebook, Instagram, Twitter, YouTube, and others. Also supports web content creation, editing and posting. Will be responsible for the development execution and monitoring of social media plans and campaigns.
Graphic Designer	Supports the graphic design & digital requests for the program. This includes social media posts, digital assets, website updating, promo items design, digital campaigns, among others. To maintain the look and feel of the program, its digital presence and graphic identity. To develop a strong business identity to enable the community engagement desired for the program.
Case Managers	Handles case assignments, review application completeness and determine responsiveness and eligibility in accordance to program requirements. Defines and establishes communication to applicants during the eligibility and qualification process. Validates and processes documentation received from applicants throughout the application, management and closeout process.
Underwriters	Responsible to assess and validate all required information for eligible program participants. Perform grant underwriting based on the program criteria and in compliance with requirements. Analyze entities financial information to determine stability, project feasibility, duplication of benefits, among other tasks to determine award amounts for applicants.

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Environmental Specialist	Performs applicant assessments to determine the level of environmental review to be conducted. Responsible to compile and submit all required forms to local or federal agencies to perform required environmental clearance or document applicable exemptions. Performs site visits and document all findings, as needed.
Agronomists	Supports the program team in agricultural related capacities. Develop and perform specialized training and technical assistance services to applicants to enable and promote better and more efficient farming practices. Coordinate and represent the program in site visits to projects and industry events.

II. Notes:

Direct support from the Trust executive team will be provided to the program as an in-kind contribution.

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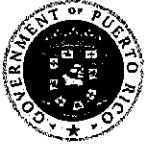


EXHIBIT D – SECTION 1

BUDGET

RE-GROW PR URBAN-RURAL AGRICULTURE PROGRAM

DESCRIPTION SERVICES

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As stated on the CDBG-DR Action Plan, the Puerto Rico Department of Housing (**PRDOH**) allocated ninety-two million five hundred thousand dollars (\$92,500,000) to the Re-grow PR Urban Rural Agriculture Program (**Re-Grow Program or Program**), serving as a basis for the execution of a detailed Subrecipient Agreement (**SRA**) that complies with 2 C.F.R. part 200, related CDBG-DR regulation, and applicable Puerto Rico and Federal law and regulations.

As a method of distribution, PRDOH is assigning thirty million four hundred seventy-one thousand nine hundred ninety nine dollars fifty two cents (\$30,471,999.52) to the Puerto Rico Science, Technology and Research Trust (**PRSTRT**). According to the current approved CDBG-DR Action Plan, the Program aligns with the ENC 9 and ECN 37 courses of action from the Puerto Rico's Recovery Plan.

With the funds provided, Puerto Rico will accelerate economic recovery of the Island's agricultural industry by promoting and increasing food security Island wide and enhancing and expanding agricultural production related to economic revitalization and sustainable development activities.

Please find below the Budget summary distribution.

EXHIBIT D - SECTION 2 - BUDGET

Grant: CDBG-DR			
Contractor:	Puerto Rico Science, Technology, and Research Trust		
Program:	Re-Grow PR Urban-Rural Agriculture Program		
DRGR Activity Code:	R02E23R0R-DOA-UM / R02E23R0R-DOA-UM		
Cost Type	Chart of Accounts Code	Activity Description	CONTRACT Budget
ADMINISTRATION			
Costs			\$ -
TOTAL COSTS			\$ -
PLANNING			
Costs			\$ -
TOTAL COSTS			\$ -
PROJECT			\$ 30,471,999.52
Project			
Grants		Program Subsidy - LMI 70%	\$ 14,000,000.00
Grants		Program Subsidy - UN 30%	\$ 6,000,000.00
TOTAL COSTS			\$ 20,000,000
PROJECT ACTIVITY DELIVERY COSTS			
Costs		Staffing Personnel Costs	4,560,955.20
Costs		Professional Services	590,000.00
Costs		Other Operating Costs	244,700.00
Costs		Equipment	-
Costs		Indirect Costs (20.5%, excluding rental costs)**	5,076,344.52
TOTAL COSTS			\$ 10,471,999.52
GRAND TOTAL			\$ 30,471,999.52

** Indirect Costs identified in this budget are based upon PRSTRT's 20.5% Indirect Cost Rate as submitted by PRSTRT and approved by U.S. DHHS on 2/26/2020 (see supporting document attached). This rate will only be applicable to appropriate expenditures incurred and invoiced until such time that PRSTRT submits a new Indirect Cost Rate Proposal to U.S. DHHS, at which time PRSTRT's new ICR rate will prevail. It is assumed by PRDOH that such submission will be no later than 12/31/2020. Indirect cost are expected to be applied ratably on a monthly basis as indirect cost are incurred.

The definition of the Modified Total Direct Cost (MTDC) is such that it includes "All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, sub-awards and sub-contracts up to the first \$25,000 of each sub-award or sub-contract (regardless of the period of performance under the award)."

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Budget Detail

Re-Grow PR Urban-Rural Agriculture Program

Subrecipient Name: Puerto Rico Science, Technology and Research Trust

STAFFING

Position	Qty. of Resources (A)	Estimated Hours per month per Resource (B)	Estimated Hourly Rate (C)	Estimated Monthly Cost (D=AxBxC)
Executive Support:				
Chief Executive Director	1	20	\$0.00	In-kind
Chief Financial Officer	1	40	\$0.00	In-kind
General Counsel & Administrator	1	40	\$0.00	In-kind
Chief Communications & Marketing Officer	1	40	\$0.00	In-kind
Procurement Director	1	40	\$0.00	In-kind
Compliance Officer	1	80	\$0.00	In-kind
Re-Grow Project Staff:				
Program Director	1	160	\$52.36	\$8,377.60
Administrative Assistant	1	160	\$16.00	\$2,560.00
Grant Management Specialist	1	80	\$29.09	\$2,327.20
IT Developer	1	80	\$37.81	\$3,024.80
Legal Associate	1	80	\$34.90	\$2,792.00
Accounting Specialist	1	160	\$25.31	\$4,049.60
Procurement Specialists	2	140	\$24.43	\$6,840.40
Marketing & Communication Manager	1	140	\$29.09	\$4,072.60
Social Media Specialist	1	100	\$17.16	\$1,716.00
Graphic Designer	1	100	\$25.01	\$2,501.00
Customer Service Manager	1	160	\$32.00	\$5,120.00
Application Intake / Customer Service Specialists	10	160	\$26.18	\$41,888.00
Senior Case Manager	1	160	\$32.00	\$5,120.00
Case Managers	2	160	\$32.00	\$10,240.00
Lead Underwriter	1	160	\$32.00	\$5,120.00
Underwriters	2	160	\$26.18	\$6,377.60
Environmental Specialist	1	160	\$26.18	\$4,188.80
Agronomist	2	160	\$26.18	\$6,377.60
Total Estimated Monthly Cost:				\$126,693.20
Total Not to Exceed (Cost over 36 Months):				\$4,560,355.20

PROFESSIONAL SERVICES

Services Name	Services Description	Budget
Underwriting services	Underwriting Services: 150 cases/\$1,500; plus 2 training sessions/\$2,500	\$230,000.00
Agricultural skill building activities	Technical Assistance Center Workshops: \$120,000/year	\$360,000.00
Total Budget for Services to be Contracted:		\$590,000.00

OTHER OPERATING

Item Name	Item Description	Budget
Vehicles rental costs	4 vehicles for program personnel. Total Cost: \$23,200/year	\$69,600.00
Handheld Devices Rental Cost	Hotspots for remote location in-take and customer service; \$65/month X 10 devices	\$23,400.00
CRM software license	Customer relation software to record application intake and communications with applicants. Estimate: \$1,200*12/year	\$43,200.00
Grant Management software license	Zengine platform licensing and 30 support hours. \$18,500/year	\$58,500.00
Travel	Mileage, tolls and per-diem; \$16,667/year	\$50,000.00
Total Expenses Budget:		\$244,700.00

EQUIPMENT

Item Name	Item Description	Budget
Total Expenses Budget:		\$0.00

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August 3, 2020

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

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

ccc

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

CERTIFICATION OF FUNDS FOR SUB-RECIPIENT AGREEMENT WITH PUERTO RICO SCIENCE, TECHNOLOGY AND RESEARCH TRUST (PRSTR) FOR THE RE-GROW PUERTO RICO URBAN-RURAL AGRICULTURE 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 **\$30,471,999.52** corresponding to "Sub-Recipient agreement with Puerto Rico Science, Technology and Research Trust (PRSTR) for the Re-Grow PR Urban-Rural Agriculture 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	Description	Account Number	Amount Certified
Economic	R02E23RUR-DOA-LM	Re-Grow PR Urban-Rural agriculture Program	6090-01-000/ 4190-10-000	\$21,330,399.66
	R02E23RUR-DOA-UN			9,141,599.86
				\$30,471,999.52

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

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

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EXHIBIT F

HUD GENERAL PROVISIONS

HUD GENERAL PROVISIONS

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Given that the Agreement 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 Agreement. In addition, SUBRECIPIENT shall comply with the Federal Labor Standards Provisions set forth in Form HUD-4010, available at <https://www.hudexchange.info/resource/2490/hud-form-4010-federal-labor-standards-provisions/>

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

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

General Provisions:

1. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this AGREEMENT shall be deemed to be inserted herein and the AGREEMENT 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 AGREEMENT shall forthwith be physically amended to make such insertion or correction.

2. STATUTORY AND REGULATORY COMPLIANCE

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

3. BREACH OF SUBRECIPIENT AGREEMENT TERMS

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

4. REPORTING REQUIREMENTS

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

5. ACCESS TO RECORDS

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

6. MAINTENANCE/RETENTION OF RECORDS

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

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

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

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

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

8. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

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

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

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

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

The SUBRECIPIENT shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the

benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

11. SECTION 504 OF THE REHABILITATION ACT OF 1973

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

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

12. AGE DISCRIMINATION ACT OF 1975

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

13. DEBARMENT, SUSPENSION, AND INELIGIBILITY

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

14. CONFLICTS OF INTEREST

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

15. SUBCONTRACTING

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

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

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

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

16. ASSIGNABILITY

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

17. INDEMNIFICATION

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

18. COPELAND "ANTI-KICKBACK" ACT

(Applicable to all construction or repair contracts)

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

19. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

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

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

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

20. DAVIS-BACON ACT

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

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

All laborers and mechanics employed by SUBRECIPIENTS or subcontractors, including employees of other governments, on construction work assisted under this AGREEMENT, 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 SUBRECIPIENT shall submit Form HUD 4710 (Semi-Annual labor Standards Enforcement Report) to PRDOH.

21. TERMINATION FOR CAUSE

(Applicable to contracts exceeding \$10,000)

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

22. TERMINATION FOR CONVENIENCE

(Applicable to contracts exceeding \$10,000)

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

23. SECTION 503 OF THE REHABILITATION ACT OF 1973

(Applicable to contracts exceeding \$10,000)

The SUBRECIPIENT shall comply with Section 503 of the Rehabilitation Act of 1973 (29 U.S.C. § 793), as amended, and any applicable regulations.

Equal Opportunity for Workers with Disabilities:

- 1) The SUBRECIPIENT will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The SUBRECIPIENT

agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with disabilities without discrimination based on their physical or mental disability in all employment practices, including the following:

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- (i) Recruitment, advertising, and job application procedures;
 - (ii) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
 - (iii) Rates of pay or any other form of compensation and changes in compensation;
 - (iv) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
 - (v) Leaves of absence, sick leave, or any other leave;
 - (vi) Fringe benefits available by virtue of employment, whether or not administered by the SUBRECIPIENT;
 - (vii) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
 - (viii) Activities sponsored by the SUBRECIPIENT including social or recreational programs; and
 - (ix) Any other term, condition, or privilege of employment.
- 2) The SUBRECIPIENT agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 3) In the event of the SUBRECIPIENT'S noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
- 4) The SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Deputy Assistant Secretary for Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the SUBRECIPIENT'S obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The SUBRECIPIENT must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the SUBRECIPIENT may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).

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- 5) The SUBRECIPIENT will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the SUBRECIPIENT is bound by the terms of Section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment individuals with physical or mental disabilities.
- 6) The SUBRECIPIENT will include the provisions of this clause in every subcontract or purchase order in excess of \$10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to Section 503 of the Act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the Deputy Assistant Secretary for Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

24. EQUAL EMPLOYMENT OPPORTUNITY

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

The SUBRECIPIENT shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapter 60).

During the performance of this Agreement, the SUBRECIPIENT agrees as follows:

- 1) The SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The SUBRECIPIENT shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- 2) The SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this non-discrimination clause. The SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

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- 4) The SUBRECIPIENT will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers representative of the SUBRECIPIENT'S commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - 5) The SUBRECIPIENT will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
 - 6) The SUBRECIPIENT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
 - 7) In the event of the SUBRECIPIENT'S non-compliance with the non-discrimination clause of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
 - 8) The SUBRECIPIENT shall incorporate the provisions of 1 through 7 above in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor so that such provisions shall be binding on such subcontractor. The SUBRECIPIENT will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for non-compliance, provided, however, that in the event the SUBRECIPIENT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

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

The SUBRECIPIENT certifies that it does not maintain or provide for its establishments, and that it does not permit employees to perform their services at any location, under its control, where segregated facilities are maintained. It certifies further that it will not maintain or provide for employees any segregated facilities at any of its establishments, and it will not permit employees to perform their services at any location under its control where segregated facilities are maintained. The SUBRECIPIENT agrees that a breach of this certification is a violation of the equal opportunity clause of this Agreement.

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

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

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

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

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

- 1) A stipulation by the SUBRECIPIENT or subcontractors, that any facility to be utilized in the performance of any nonexempt contract or subcontract, is not listed on the Excluded Party Listing System pursuant to 40 C.F.R. 32 or on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 C.F.R. Part 15, as amended.

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- 2) Agreement by the SUBRECIPIENT to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 U.S.C. § 1857 c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. § 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
 - 3) A stipulation that as a condition for the award of the Agreement, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the Agreement, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
 - 4) Agreement by the SUBRECIPIENT that he or she will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the SUBRECIPIENT will take such action as the government may direct as a means of enforcing such provisions.

27. ANTI-LOBBYING

(Applicable to contracts exceeding \$100,000)

By the execution of this AGREEMENT, the SUBRECIPIENT certifies, to the best of his or her knowledge and belief, that:

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the SUBRECIPIENT, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the SUBRECIPIENT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

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

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

28. BONDING REQUIREMENTS

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

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

- 1) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his or her bid, execute such contractual documents as may be required within the time specified.
- 2) A performance bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the SUBRECIPIENT's obligations under such contract.
- 3) A payment bond on the part of the SUBRECIPIENT for one hundred percent (100%) of the Agreement price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

29. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

(As required by applicable thresholds)

- 1) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects

covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

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- 2) The parties to this Agreement agree to comply with HUD's regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
 - 3) The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which the SUBRECIPIENT has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the SUBRECIPIENT's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
 - 4) The SUBRECIPIENT agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 135. The SUBRECIPIENT will not subcontract with any subcontractor where the SUBRECIPIENT has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.
 - 5) The SUBRECIPIENT will certify that any vacant employment positions, including training positions, that are filled: (1) after the SUBRECIPIENT is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the SUBRECIPIENT's obligations under 24 C.F.R. Part 135.
 - 6) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
 - 7) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance
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Act (25 U.S.C. § 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

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

30. FAIR HOUSING ACT

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

31. ENERGY POLICY AND CONSERVATION ACT

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

32. HATCH ACT

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

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

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

33. HEALTH AND SAFETY STANDARDS

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

34. PERSONNEL

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

35. WITHHOLDING OF WAGES

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

36. CLAIMS AND DISPUTES PERTAINING TO WAGE RATES

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

41. POLITICAL ACTIVITY

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

42. RELIGIOUS ACTIVITY

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

43. FLOOD DISASTER PROTECTION ACT OF 1973

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

44. LEAD BASED PAINT

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

45. VALUE ENGINEERING

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

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



EXHIBIT G SPECIAL CONDITIONS

RE-GROW PR URBAN-RURAL AGRICULTURE PROGRAM

I- POLICIES AND PROCEDURES

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1. Within **one hundred eighty (180) days** of the execution of this Subrecipient Agreement (**SRA**), the Puerto Rico Science Technology and Research Trust (**PRSTRT**) must update all policies and procedures in compliance with PRDOH CDBG-DR policies and, state and federal regulations, including but not limited to:
 - i. Record retention and access policies in 2 C.F.R. § 200.333 through § 200.336, and 24 C.F.R. 570.490 on Recordkeeping Requirements, 24 C.F.R. §570.506 on Records to be Maintained and 24 C.F.R. §570.508 on Public Access to Program Records.
 - ii. Financial Management (2 C.F.R. § 200.302), Financial Reporting (2 C.F.R. § 200.327), Internal controls (2 C.F.R. § 200.303) among others.
 - iii. Conflict of Interest in 2 C.F.R. 200.112, 24 C.F.R. § 570.611, and program administrative requirements for conflict of interest under 24 C.F.R. §570.489(h).
 - iv. Procurement policies and procedures in accordance with the PRDOH Procurement Manual and in compliance with federal regulations in 2 C.F.R. § 200.318 General procurement standards through 2 C.F.R. § 200.326 Contract provisions and in 24 C.F.R. § 570.489(g) Procurement.
 - v. Monitoring related policies and procedures in compliance with 2 C.F.R. § 200.328 - Monitoring and Reporting Program Performance.
 - vi. Policies and procedures to regulate access and use of systems and protecting Personally Identifiable Information (**PII**) in compliance with 2 C.F.R. § 200.79 and §200.82.
 - vii. Citizen Complaints policies and procedures in accordance with 24 C.F.R. § 570.431(5) of Citizen Participation, requirements in 24 C.F.R. § 91.115(e) and §570.486, and any applicable PRDOH complaints related policy.

II- STAFFING

1. Within **sixty (60) days** of the execution of this SRA, PRSTRT must develop a staffing and training plan that identifies specific staffing responsible of implementation and compliance of key requirements, including citizen complaints, financial management, financial reporting, internal controls, conflict of interest, procurement, record retention and access, monitoring and CDBG-DR specific requirements (e.g., national objective).
2. The PRSTRT must develop and implement an organizational structure that clearly establishes the segregation of duties in the implementation and management of the CDBG-DR programs and activities, including the finance division, in compliance with requirements in 2 C.F.R. § 200.303 for internal and standards for Internal Controls in the Federal Government by GAO.

III- TRAINING AND TECHNICAL ASSISTANCE

Within **one hundred eighty (180) days** of the execution of this SRA , the PRSTRT must participate in training and capacity building seminars, to ensure PRSTRT employees are knowledgeable of the most recent rules and regulations applicable to the CDBG-DR Re-Grow Program and related requirements, to ensure compliant implementation and management of the CDBG-DR funded activities. Specifically, it is recommended that the PRSTRT staff receive training in the following areas:

- i. Record Retention Requirements and access to record in (2 C.F.R. § 200.333 through § 200.336), and 24 C.F.R. § 570.490 on Recordkeeping Requirements, 24 C.F.R. § 570.506 on Records to be Maintained and 24 C.F.R. § 570.508 on Public Access to Program Records.
- ii. Financial Management (2 C.F.R. § 200.302), Financial Reporting (2 C.F.R. § 200.327), among other financial related requirements.
- iii. Internal controls development and implementation in compliance with 2 C.F.R. § 200.303.
- iv. Conflict of Interest 2 C.F.R. § 200.112, 24 C.F.R. § 570.611, and program administrative requirements for conflict of interest under 24 C.F.R. §570.489(h).
- v. Grant administration requirements (24 C.F.R. § 570.501).
- vi. Procurement requirements in PRDOH Procurement Manual and federal regulation in 2 C.F.R. §200.318 - §200.326 (general procurement

standards and Contract provisions) and in 24 C.F.R. § 570.489 (g) Procurement.

- vii. Monitoring procedures to ensure the effectiveness of internal controls (2 C.F.R. § 200.328).
- viii. Protection of Personally Identifiable Information (PII) in 2 C.F.R. § 200.79 and §200.82.
- ix. Citizen complaints management and reporting (24 C.F.R. § 570. 431 (5), §91.115 (e) and §570.486).

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**OSPA
 (Amended)
 Re-grow PR Urban Rural Agriculture Program (RGRW Program)
 Community Development Block Grant – Disaster Recovery
 Puerto Rico Department of Housing
 Secretary for Legal Affairs
 Insurance Section**

**SPECIAL INSURANCE AND BONDING SPECIFICATIONS
 FOR PROFESSIONAL SERVICES**

The successful bidder before commencing work or receiving a written notice to proceed with, or being allowed to start to work, must submit to the **Department of Housing**, two (2) certified copies of the hereafter mentioned insurance policies and/or bonds, thus including all endorsements and agreements required under the special contractual conditions as per the following:

1. (X) State Insurance Fund Workmen's Compensation Insurance Policy

In accordance with the Workmen's Compensation Act No. 45, to facilitate its acquisition, the **Department of Housing** shall provide a letter to the successful bidder addressed to the State Insurance Fund.

2. (X) Commercial General Liability (Broad Form) including the following insurance coverage

COVERAGE	LIMIT
I. Commercial General Liability:	\$1,000,000.00
• General Aggregate	\$2,000,000.00
• Products & Complete Operations	\$1,000,000.00
• Personal Injury & Advertising	\$1,000,000.00
• Each Occurrence	\$1,000,000.00
• Fire Damage	\$100,000.00 (Any one Fire)
• Medical Expense	\$10,000.00 (Any one person)
II. Employer's Liability Stop Gap:	
• Bodily Injury by Accident Each Employee	\$1,000,000.00
Each Accident	\$1,000,000.00

COVERAGE	LIMIT
• Bodily Injury by Disease Each Employee	\$1,000,000.00
Each Accident	\$1,000,000.00

3. (X) Comprehensive Automobile Liability Form including the following insurance coverages

LIMIT
• Auto Liability - \$1,000,000.00
• Physical Damages - \$1,000,000.00
• Medical Payments - \$10,000.00
The Commercial Auto cover must be applied to the following symbols:
• Liability Coverage -1
• Physical Damages – 2 and 8
• Hired – Borrowed Auto - 8
• Non-Owned Auto Liability - 9

4. (X) Professional General Liability and/or Errors and Omissions Policy

(X) A. Risk, interest, location and limits

(X) A.1 Description of work to be done

(X) A.2 Limit:

- (X) each occurrence \$1,000,000
- (X) aggregate \$5,000,000
- (X) deductible \$5,000.00

(X) A.3 Certification that the insurance contract has been given as surplus lines coverage under the Commonwealth Insurance Code, when applicable.

5. (X) Crime

COVERS REQUIRED	
I.	Employee Dishonesty:
	• Limit - \$250,000 Per Occurrence
	• Deductible \$2,500 Per Occurrence
II.	Forgery & Alteration Form:
	• Limit - \$250,000 Per Occurrence
	• Deductible \$2,500 Per Occurrence
III.	Theft, Disappearance & Destruction (Inside/Outside):

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<ul style="list-style-type: none"> • Limit \$100,000 Per Occurrence • Deductible \$1,000 Per Occurrence
IV. Computer Fraud:
<ul style="list-style-type: none"> • Limit \$100,000 Per Occurrence • Deductible \$1,000 Per Occurrence

6. (X) Cyber

(x) Limit - \$1,000,000.00

7. (X) The policies to be obtained must contain the following endorsements including as additional insured the **Department of Housing, U.S. Department of Housing and Urban Development (HUD)**, and the **Government of Puerto Rico**.

- (X) a. Breach of warranty
- (X) b. Waiver and / or Release of Subrogation
- (X) c. Additional Insured Clause
- (X) d. Hold Harmless Agreement
- (X) e. 30 Days Cancellation Clause

8. (X) The insurance carrier or carriers which will present said certificates of insurance must have at least a B+ rating according to the Best Rating Guide.

A. IMPORTANT NOTICE TO INSURANCE AND SURETY COMPANIES AND THEIR REPRESENTATIVES

All insurance companies and all guarantors who issue policies or bonds under our special contractual conditions are subject to:

1. Be authorized to do business within the Commonwealth of Puerto Rico and have the corresponding license issued by the Commissioner of Insurance.
2. To be enjoying a good economic situation and to be classified under the Category of B+ by the "Best Rating Guide".
3. Submit to the **Department of Housing** a written certification as evidence of full payment of premiums by the Contractor. Mention each risk coverage premium separately.
4. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.

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5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Insurance Section of the **Department of Housing**. Discuss any refund of unearned premium.
6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, the full description of the project, work or service to be rendered.
8. Not to make any amendments to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the Insurance Section of the Department of Housing.
9. To ensure that all insurance policies or bonds are issued to comply with all of our special insurance conditions with respect to the period of coverage, type of risk coverage, as well as all limits, as specified, and also to eliminate those exclusions in accordance with our request.
10. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Section of the Department of Housing under the Secretary for Legal Affairs.

B. EVIDENCE OF INSURANCE COVERAGE OF EACH SUBCONTRACTOR TO BE SUBMITTED BY THE SUCCESSFUL BIDDER AS THE PRIME CONTRACTOR:

The successful bidder, as the prime contractor, has the duty to require each of the subcontractors or sub-subcontractors to maintain in force all insurance policies and/or bonds necessary to cover their individual participation in the risk or risks related to the subcontracted work or service to be rendered.

Therefore, we emphasize that prior to commencing work or receiving written notice to proceed with such work or being authorized to commence work, the successful prime contractor has the responsibility to provide the **Department of Housing** with evidence to the effect that all insurance and/or bonds required under the special conditions or required under the sub-contract to each of the sub-contractors or sub-sub-contractors are current and duly approved by the Insurance Section of the **Department of Housing**.

All insurance policies shall remain in effect for the entire contractual period, so that with any order of change and/or amendment resulting in alteration of the original project completion date or total original cost, the prime contractor shall take the necessary steps to request the insurer to include such changes in all related insurance policies and/or bonds and to submit evidence by appropriate endorsements with effective dates. Cancellations without consent are not accepted.

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The **Department of Housing** reserves the right to stop any work or service under contract until the breach of these requirements has been remedied, so that any delay in the performance of the contract based on any breach of the insurance coverage requirements shall be deemed the sole responsibility of the Main Contractor.

C. CONFLICT OR DIFFERENCE BETWEEN THE SPECIFICATIONS OF THE TENDERING, PROCEDURE AND SPECIAL INSURANCE CONDITIONS AND BONDS, FORM DV-OSPA-78-5

In the event of any conflict or difference in the description of coverage or in amounts or limits, etc., with respect to insurance requirements, the "*Special Conditions of Insurance and Bonds*" as set forth in this **Form (DV-OSPA-78-5)** shall prevail over any other insurance specifications.

D. CERTIFICATE OF INSURANCE SECTION

We hereby certify, to our best knowledge and understanding, that we have prepared the aforementioned "*Insurance and Bonds Special Conditions*" after a proper evaluation of the related risks, based on the information of the nature of the project and description submitted to us, as requested by the Contracting Program through a written application.

DESCRIPTION OF THE SERVICES:

Re-grow PR Urban Rural Agriculture Program (RGRW Program)

July 31, 2020

Date

Arlyn Rodríguez Fuentes

Arlyn Rodríguez Fuentes
Insurance Section
Secretary for Legal Affairs

Amended: August 14, 2020
By: Joel O. Hernández Alvarado









Subrecipient Agreement (SRA) PRDOH and PRSTRT (FINAL)

Final Audit Report

2020-08-14

Created:	2020-08-14
By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
Status:	Signed
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"Subrecipient Agreement (SRA) PRDOH and PRSTRT (FINAL)" History

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