



NEPR-MI-2020-0008

Transmittal #: LUMA-PREB-T-00002 TRANSMITTAL

Title: Material Subcontractor Approval Request - IBM

Date: 2020-07-03

LUMA Department: IMO

Sending Organization: LUMA Receiving Organization: PREB

Sent from: Paul Goguen Addressed to: Edison Avilés Deliz

LUMA CC: P3A CC: LUMA-P3A-T-0002

TRANSMITTER COMMENTS:
Copy

Related RFI(s) or Transmittal(s):

Total Number of Documents: 1

Document No.	Title	Rev.	File Type
1	Subcontractor Approval Letter – IBM		PDF
2			
3			
4			
5			

July 2, 2020

Transmittal: LUMA-P3A-T-0002

Transmittal: LUMA-PREB-T-0002

TO: Puerto Rico Public Private Partnerships Authority ("Administrator")

PO BOX 42001

San Juan, Puerto Rico 00940-2001

Attention: Executive Director – Fermín E. Fontanés Gómez

By Email: Fermin.Fontanes@p3.pr.gov and Administrator@p3.pr.gov

COPY TO: Puerto Rico Energy Bureau ("PREB")

268 Avenida Muñoz Rivera

Edificio World Plaza

Piso 7, Suite 704

Hato Rey, Puerto Rico 00918

Attention: President - Edison Avilés Deliz

Telephone: (787) 523-6262

By Email: eavilesdeliz@energia.pr.gov

Dear Sirs:

Re: **Notice of International Business Machines Corporation ("IBM") as Material Front-End Subcontractor - Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the "Agreement") among the Puerto Rico Electric Power Authority ("Owner"), Administrator, LUMA Energy, LLC ("ManagementCo") and LUMA Energy ServCo, LLC ("ServCo" and, together with ManagementCo, "Operator") dated June 22, 2020 (the "Notice").**

Unless otherwise defined herein, defined terms appearing in this Notice shall have the meaning ascribed to them in the Agreement.

Pursuant to Section 4.9(a) of the Agreement, Operator hereby notifies Administrator that it intends to engage IBM as a Material Front-End Subcontractor for performance of Front-End Transition Services in excess of US \$250,000.

To help expedite matters, ManagementCo, pursuant to Section 4.9(b) of the Agreement which enables the Administrator to request information pertaining to: *(i) any conflicts of interest, (ii) any record of felony criminal convictions or pending felony criminal investigations and (iii) any final judicial or administrative finding or adjudication of non-performance of contracts with Owner or Administrator*, hereby provides the Administrator with information as captured below.

Material Front-End Subcontractor	Category of work	Section 4.9(b) confirmation
International Business Machines Corporation	Technology Implementations and Assessments	<p>In respect to issues pertaining to items (i), (ii) & (iii) noted in Section 4.9 (b), on review with IBM, IBM's Vice President of IBM Global Business Services noted:</p> <p><i>"In executing the Agreement and SOWs as drafted with LUMA, I can confirm that IBM Corp would have no known conflicts of interest with, or issues of non-performance of contracts with, PREPA or the Puerto Rico Public Private Partnerships Authority.</i></p> <p><i>Regarding your question about criminal convictions, IBM is a large, multinational company that, as a matter of course, is a party to many lawsuits. IBM is not, however, currently a party to any lawsuit that will affect its ability to perform the services outlined in the SOWs. An explanation of the material litigation to which IBM is a party is contained in IBM's Annual Report, a copy of which is available online at http://www.ibm.com/annualreport/. Additional information is available in IBM's public filings in Form 10-K, Form 10-Q, Form 8-K and other required SEC filings that can be found at the following: https://www.ibm.com/investor/financials/financial-reporting.html".</i></p>

Please indicate your approval of IBM as a Material Front-End Subcontractor by executing as indicated below. Pursuant to section 4.9(a) of the Agreement, if Administrator does not respond to Operator within ten (10) Business Days after being notified of Operator's engagement or intention to engage a Front-End Subcontractor, Administrator shall be deemed to have no objection to the engagement of such Front-End Subcontractor.

This Notice may be executed and delivered in counterpart and by electronic means, including by facsimile, portable document format ("**PDF**") or other electronic means, and each such electronically executed version shall be deemed to be an original, and notwithstanding the date of execution shall be deemed to bear the date first written above.

Yours truly,

LUMA ENERGY, LLC



By: _____

Name: Paul Goguen

Title: Senior Vice-President, IMO

****Acceptance of Administrator on following page****



To: **LUMA ENERGY, LLC**
644 Fernandez Juncos Ave., Suite 301
San Juan, Puerto Rico 00907
Attention: General Counsel
Email: Legal@lumamc.com

Administrator hereby accepts IBM as a Material Front-End Subcontractor as set out in this Notice
this ____ day of July, 2020.

ACCEPTANCE:

**PUERTO RICO PUBLIC PRIVATE
PARTNERSHIPS AUTHORITY**

By: _____
Name: _____
Title: _____

NOTE: Pursuant to Section 4.9(c) of the Agreement, if a proposed Material Front-End Subcontractor is approved for the Front-End Transition Period, such Subcontractor shall be deemed to be approved for the specified categories of potential work for the duration of the Front-End Transition Period, unless Administrator otherwise notifies ManagementCo.

