NEPR

Received:

Sep 17, 2021

9:57 PM

COMMONWEALTH OF PUERTO RICO PUBLIC SERVICE REGULATORY BOARD PUERTO RICO ENERGY BUREAU

IN RE: PUERTO RICO ELECTRIC POWER AUTHORITY'S EMERGENCY RESPONSE PLAN **CASE NO.:** NEPR-MI-2019-0006

SUBJECT: Submission of Responses to Attachment A to the September 3rd Order

MOTION SUBMITTING RESPONSES TO ATTACHMENT A TO THE SEPTEMBER $3^{\rm RD}$ ORDER AND REQUEST FOR CONFIDENTIAL TREATMENT

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC ("ManagementCo")¹, and LUMA Energy ServCo, LLC ("ServCo")², (jointly referred to as "LUMA"), and, through the undersigned legal counsel, respectfully submit the following:

- 1. On September 2, 2021, the Honorable Energy Bureau ("Energy Bureau") held a Technical Conference for the discussion of LUMA's' and the Puerto Rico Electric Power Authority's ("PREPA") Emergency Response Plans. During the Technical Conference, this Energy Bureau requested information from the representatives of the aforementioned entities.
- 2. A day later, on September 3, 2021, this Energy Bureau issued a Resolution and Order directing LUMA and PREPA to respond to and/or submit the information required as part of Attachment A of said Resolution and Order ("September 3rd Order"), on or before September 17, 2021.

² Register No. 439373.

-1

¹ Register No. 439372.

- 3. In compliance with the September 3rd Order, LUMA is submitting today, its responses to the requests for information identified in Attachment A of the aforementioned Order ("Responses to Attachment A to the September 3rd Order"), as Exhibit 1 of this Motion.
- 4. To protect personal and individual identifying information of LUMA personnel, the signature of the LUMA officers and LUMA ServCo's Tax Identification number that are identified in attachments to response 12, TC-RFI-LUMA-MI-19-0006-210903-PREB-0012 Attachments 3 and 4, were redacted. Similarly, to protect personal identifying information in the form of the signatures of officers and the tax Identification numbers of the Puerto Rico Electric Power Authority ("PREPA") and MasTec Renewables Puerto Rico, LLC, that are identified in two attachments to response 12, TC-RFI-LUMA-MI-19-0006-210903-PREB-0012 Attachments 1 and 2, were redacted. LUMA hereby requests that the referenced signatures and tax identification numbers be kept confidential in accordance with Section 6.15 of Act 57-2014 (providing, that: "[i]f any person who is required to submit information to the Energy Commission believes that the information to be submitted has any confidentiality privilege, such person may request the Commission to treat such information as such . . . ", 22 LPRA §1054(n)), and pursuant to the Bureau's Policy on Confidential Information. See CEPR-MI-2016-0009, Section A, as amended by the Resolution of September 16, 2016, CEPR-MI-2016-0009. Protecting the signatures of LUMA and PREPA officers and of a third party contractor in a context that reveals details of his/her employment and duties, is in the public interest and aligned with Puerto Rico's legal framework on privacy which protect from disclosure the personal identifying information and personal information, see e.g., Const. ELA, Art. II, Sections 8 and 10 which protect the right to control personal information and distinctive traits which applies ex proprio vigore and against private parties. see also e.g. Vigoreaux v. Quiznos, 173 DPR 254, 262 (2008); Bonilla Medina, 140

DPR at 310-11, *Torres Albertorio*, 115 DPR at 133-34. *See also* Act 122-2019, Article 4 (vi) (which provides, as exceptions to the rule on public disclosure, information whose disclosure could invade the privacy of third parties or affect their fundamental rights; Article 3(c) Act 122-2019 (stating that personnel files and similar information does not constitute public information subject to disclosure). Also, Act 122-2019 protects from disclosure tax information. *See* Act 122-2019, Article 4 (xi). It is respectfully submitted that redaction of the aforementioned information does not affect the public's ability to review the responses nor interferes with processes before this Energy Bureau in connection with the ERP.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned; **accept** the Responses to Attachment A to the September 3rd Order that are being filed today; **keep** the redacted portions of TC-RFI-LUMA-MI-19-0006-210903-PREB-0012 Attachments 1 through 4 confidential and **deem** LUMA complied with the September 3rd Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 17th day of September 2021.

I hereby certify that I filed this Motion using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this **motion to the attorneys for PREPA**, Joannely Marrero-Cruz, jmarrero@diazvaz.law; and Katiuska Bolaños-Lugo, kbolanos@diazvaz.law.



DLA Piper (Puerto Rico) LLC 500 Calle de la Tanca, Suite 401 San Juan, PR 00901-1969 Tel. 787-945-9107 Fax 939-697-6147

-3

/s/ Margarita Mercado Echegaray Margarita Mercado Echegaray RUA NÚM. 16,266 margarita.mercado@us.dlapiper.com

<u>EXHIBIT 1</u> Responses to Technical Conference Requests for Further Information



NEPR-MI-2019-0006

Emergency Response Plan

Responses to Technical Conference Requests

for Further Information

September 17, 2021

List of Responses and Attachments

Response ID	Document	Description
TC-RFI-LUMA-MI-19-0006-210903-PREB-001	Response	Response to PREB Request 1
	Attachment 1*	Participant Feedback from Tabletop Exercise
TC-RFI-LUMA-MI-19-0006-210903-PREB-002	Response	Response to PREB Request 2
TC-RFI-LUMA-MI-19-0006-210903-PREB-003	Response	Response to PREB Request 3
	Attachment 1	LUMA Pre-Event Stage Report
	Attachment 2	LUMA Restoration Stage Report Type I
	Attachment 3	LUMA Restoration Stage Report Type II
	Attachment 4	LUMA Final Event Report
TC-RFI-LUMA-MI-19-0006-210903-PREB-004	Response	Response to PREB Request 4
TC-RFI-LUMA-MI-19-0006-210903-PREB-005	Response	Response to PREB Request 5
TC-RFI-LUMA-MI-19-0006-210903-PREB-006	Response	Response to PREB Request 6
TC-RFI-LUMA-MI-19-0006-210903-PREB-007	Response	Response to PREB Request 7
TC-RFI-LUMA-MI-19-0006-210903-PREB-008	Response	Response to PREB Request 8
TC-RFI-LUMA-MI-19-0006-210903-PREB-009	Response	Response to PREB Request 9
TC-RFI-LUMA-MI-19-0006-210903-PREB-010	Response	Response to PREB Request 10
TC-RFI-LUMA-MI-19-0006-210903-PREB-011	Response	Response to PREB Request 11
TC-RFI-LUMA-MI-19-0006-210903-PREB-012	Response	Response to PREB Request 12
	Attachment 1	MasTec Renewables PR Contract – Category I
	Attachment 2	MasTec Renewables PR Contract – Category II
	Attachment 3	MasTec Renewables PR Contract Extension –
		Category I
	Attachment 4	MasTec Renewables PR Contract Extension –
TO DELLUMA MI 40 0000 040000 DDED 040	D	Category II
TC-RFI-LUMA-MI-19-0006-210903-PREB-013	Response	Response to PREB Request 13
TC-RFI-LUMA-MI-19-0006-210903-PREB-014	Response	Response to PREB Request 14
TC-RFI-LUMA-MI-19-0006-210903-PREB-015	Response	Response to PREB Request 15
TC-RFI-LUMA-MI-19-0006-210903-PREB-016	Clarification	Clarification regarding Facility Evacuation
TC-RFI-LUMA-MI-19-0006-210903-PREB-017	Clarification	Clarification regarding APPA Activation

Note: * Denotes attachments that have been provided in Microsoft Excel format.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-001

Subject: Emergency Response Training

Request:

LUMA's ERP discusses planned staff training and rehearsal/simulation events that will be incorporated to improve readiness for emergency response.

- a) Provide a listing, with descriptions, of planned ERP staff training activities and initiatives, and general discussion of what types of LUMA employees, and estimated number of LUMA employees that will engage in each training activity.
- b) Provide a schedule for ERP staff training activities over the next 12 months.
- c) Provide a listing of LUMA ERP staff training activities completed to date.
- d) Please provide a listing and description of ERP rehearsal/simulation activities completed to date, and additional ERP rehearsal/simulation activities planned over the next 12 months.
- e) For any ERP rehearsal/simulation activities completed to date, please provide any after-action or performance review documents that have been prepared by or on behalf of LUMA, identifying lessons learned, ERP effectiveness, gaps, etc., and measures taken by LUMA to address any identified shortcomings.

Response:

- a) LUMA provides on-going training on best practices regarding the National Response Framework, National Incident Management System (NIMS), and the Incident Command System (ICS). This training is provided to all members of the LUMA Emergency Operations Center (LEOC) and LUMA's representatives in the PREMB Regional Emergency Operations Center. The total number of employees assigned to the LEOC/PREMB is approximately 180 and the total number of employees who have completed ICS training is approximately 150. There are ongoing ICS courses, as outlined in response b) below, to provide training those individuals who continue to be assigned to roles in the LEOC.
- b) During September 2021, the Office of Crisis Management provided Incident Command System (ICS) and National Incident Management System (NIMS) training for personnel appointed to the PREMB Regional Emergency Operations Centers. The below table outlines the ICS courses that have been provided to LEOC personnel and that LUMA plans to provide to personnel who are continuously being assigned roles in the LEOC with the upcoming dates for sessions.



Course Name	Description	Hours	Delivery	Date
IS-700	NIMS, an Introduction	3	Online	September 2021 February 2022
IS-100	Introduction to ICS	3	Online	September 2021 February 2022
IS-200	ICS for Single Resources and Initial Action Incidents	3	Online	September 2021 February 2022
IS-800	National Response Framework, An Introduction	3	Online	September 2021 February 2022
ICS-300	Intermediate ICS for Expanding Incidents	24	In-Person	October 2021 May 2022
ICS-400	Advanced Incident Command	16	In-Person	October 2021 May 2022
IS-2200	Basic Emergency Operations Center Functions	4	Online	October 2021 March 2022

Note: Date are planned and subject to change

- c) Listing of LUMA emergency response staff training courses completed to date:
 - 1. IS-700: NIMS, an Introduction
 - 2. IS-100: Introduction to ICS
 - 3. IS-200: ICS for Single Resources and Initial Action Incidents
 - 4. IS-800: National Response Framework, An Introduction
 - 5. ICS-300: Intermediate Incident Command System for Expanding Incidents
 - 6. ICS-400: Advanced Incident Command System for Complex Incidents
- d) Listing and description of ERP rehearsal/simulation activities completed to date:
 - 1. LUMA Emergency Response Plan (ERP) Workshop (February 2021)
 - This workshop served as an introduction to the ERP for LUMA staff who could be involved in response activities.
 - 2. LUMA Emergency Response Plan Tabletop Exercise (May 2021)
 - This tabletop exercise addressed a Category 4 hurricane impacting Puerto Rico causing severe damage to the T&D system. Discussions centered around restoration operations, communications, and reporting requirements.
 - 3. LUMA Emergency Response Workshop (August 2021)
 - This workshop included response partners from the local, regional, Government
 of Puerto Rico, and federal levels of governments as well as stakeholders from
 the private sector.
- e) For LUMA's ERP rehearsal/simulation activities after action review documents, please refer to TC-RFI-LUMA-MI-19-0006-210903-PREB-001 Attachment 1 which includes a listing of participant feedback from the tabletop exercise.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-002

Subject: Vegetation Management

Request:

Submit LUMA's Vegetation Clearing Preparedness Procedures drafted in preparation for a storm event, including how municipal resources are qualified before an event.

Response:

The LUMA Vegetation Management Program is a year-round program. The practices and techniques are meant to ensure grid reliability and resiliency during all conditions including a storm event. The ongoing program, utilizing Integrated Vegetation Management (IVM) principals and practices, addresses vegetation and electrical wire conflicts by pruning and removal of vegetation and lowers the risk of vegetation related outages. The year-round work across all of Puerto Rico allows for operational efficiencies and better management of available resources.

In preparation for a storm, labor and equipment resources for vegetation management will be staged as conditions and weather forecasts deem appropriate. LUMA does not have specific pre-storm vegetation clearing preparedness procedures or a blitz of work that occurs ahead of a pending storm. Ongoing preventative maintenance and right of way reclamation along electric facilities will help to minimize risk associated with storm events.

Please refer to the LUMA Vegetation Management Plan filed with the Bureau under docket NEPR-MI-2019-0005 for all details associated with the LUMA Vegetation Management Program.

LUMA has been and will continue to work with municipalities to establish the most appropriate approach to restoration after a storm event. This said, municipal resources are generally not qualified to complete vegetation management work associated with downed electrical lines or assist with vegetation management in close proximity to energized electrical lines. However, municipal resources may be qualified to support the following restoration efforts:

- Clearing roadways and debris management.
- Keeping the public safe by guarding downed power lines until the appropriate resources are able to respond.
- Supporting at staging sites for equipment and materials.
- Providing lodging to emergency response personnel.
- Providing local guidance or advice based on their area of specific knowledge.
- Managing traffic control on job sites.
- Coordinating emergency response resources including municipal police, EMS personnel, and equipment.
- Other activities that the municipality has equipment for and is qualified to complete.



During a storm event, LUMA will be establishing restoration needs including the areas of support noted above, as required. The identified needs will be communicated to PREMB, and in turn, to the municipalities to enable these municipal support activities to be engaged.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-003

Subject: Restoration Reports

Request:

Submit the templates for the reports identified in p. 55 of Annex A that were identified to be found in Appendix D of the ERP Base Plan.

Response:

As discussed in the technical conference, the report templates can be found in Appendix B of the Base Plan starting on page 110. Please refer to the following attachments for the current revision of all report templates:

- a) For the Pre-Event Stage Report, please refer to TC-RFI-LUMA-MI-19-0006-210903-PREB-003 Attachment 1.
- b) For the Restoration Stage Report Type I, please refer to TC-RFI-LUMA-MI-19-0006-210903-PREB-003Attachment 2.
- c) For Restoration Stage Report Type II, please refer to TC-RFI-LUMA-MI-19-0006-210903-PREB-003 Attachment 3.
- d) For the Final Event Report, please refer to TC-RFI-LUMA-MI-19-0006-210903-PREB-003 Attachment 4.

Any revisions to these report templates will be included in the next published revision of the ERP in 2022.

Please note that pages 108 and 109 do not exist in the ERP base plan. This is a page numbering error and not an omission of information.





Pre-Event Stage Report

For known possible Emergency Events, a Pre-Event Stage Report will be submitted twice daily (8AM; and 6PM), and if the event type changes or as requested until interruptions occur.

	LUMA Pre-Ev	rent Stage Report
1	Date and Time of Report	
2	Weather Forecast & Monitoring	
3	Planned Event Conference Calls (date/time)	
4	Pre-event Communications with Public, Municipal Contacts & Elected Officials (describe communication methods)	
5	Pre-event Notifications with PREB, P3A, PREMB, Critical Facilities & Lifeline Residential Services (describing communication methods)	
6	Expected Event Classification Type and Changes to Event Classification Type (and all facts considered in determination)	
7	Likelihood of LUMA Emergency Operations Center (LEOC) Activation (date/time LEOC opens) and Activation Level	
8	Forecasted Percentage of Customer Outages	
9	LUMA Resource Readiness (indicate actions taken and type/quantities)	
10	Forecasted Number and Type of Total Resources Required (number of crews and full-time equivalents)	
11	Number of External Resources Secured (by type and including the number of crews and fulltime equivalents)	
12	Estimated Duration of Restoration Operations	
13	Problems Anticipated / Encountered for Event	
14	Any Other Pertinent Information:	

Date & Time:



Signature:



Restoration Stage Report Type I

A Restoration Stage Report Type I will be submitted at a minimum of three times per day until restoration is complete. The content for the Restoration Stage Report Type I is found below.

		Event Inforn	nation	
Event:			\	
Date:			\	
Submitted by:				
Region/ Municipality	Total LUMA Customers	Total Customers Out	Outage %	Estimated Times of Restoration (ETRs)
Arecibo	193906		1	
Adjuntas	7529			
Arecibo	44035			\
Barceloneta	10935			\
Camuy	14778			
Cisles	7386			\
Florida	4918			\
Hatillo	17306	·		\
Jayuya	6213			\
Manati	20125			\
Morovis	11278	1		\
Utuado	13092			\
Vega Alta	15213			\
Vega Baja	21098			\
Bayamon	250505		Ç.	\
Bayamon	77582		\	\ \ \
Catano	9281			\
Corozal	12775			\
Dorado	16365			\
Guaynabo	74016			\ \
Naranjito	6885			
Toa Alta	24739			
Toa Baja	28862			
Caguas	280318			
Aguas Buenas	9695			
Aibonito	10281			
Barranquiles	10415			
Caguas	58196			\ \ \
Cayey	17944			
Ceiba	5408			
Cidra	15741			
Comerio	6915			
Culebra	1329			
Fajardo	14434			
Gurabo	16303			
Humacao	25784			////
Juncos	15432			



Salinas Santa Isali Villaba Yauco San Juan Canovana Carolina Loiza Rio Grand San Juan Trujillo Alto	bel	5721 9681 9482 68703 14794 10367 9414 18781 302579 11958 69136 4973 16739 175283 24490			
Santa Isab Villaba Yauco San Juan Canovana Carolina Loiza Rio Grand San Juan	bel	5721 9681 9482 68703 14794 10367 9414 18781 302579 11958 69136 4973 16739 175283			
Santa Isab Villaba Yauco San Juan Canovana Carolina Loiza Rio Grand	bel	5721 9681 9482 68703 14794 10367 9414 18781 302579 11958 69136 4973 16739			
Santa Isab Villaba Yauco San Juan Canovana Carolina Loiza	bel	5721 9681 9482 68703 14794 10367 9414 18781 302579 11958 69136 4973			
Santa Isab Villaba Yauco San Juan Canovana	bel	5721 9681 9482 68703 14794 10367 9414 18781 302579 11958			
Santa Isab Villaba Yauco San Juan	bel	5721 9681 9482 68703 14794 10367 9414 18781 302579			
Santa Isak Villaba Yauco		5721 9681 9482 68703 14794 10367 9414 18781			
Santa Isak Villaba		5721 9681 9482 68703 14794 10367 9414			
Santa Isal		5721 9681 9482 68703 14794 10367			
		5721 9681 9482 68703 14794			
Salinas	M-	5721 9681 9482 68703			
	M-	5721 9681 9482			
Ponce	N-	5721 9681			
Penuelas		5721			
Patillas				NC.	
Maunabo	·				\
Juana Dia		20784		1	
Guayanilla		9031			\
Guayama		20963			
Guanica		9653			\
Coamo		17133			\
Arroyo		9134	1		\
Ponce		233641			\
San Seba		15647			\
San Germ		12731			\
Sabana G	Frande	9251			\
Rincon		7823			\
Quebradill	las	10876			
Moca		15154			/
Mayaguez	7	38969		_/	
Maricao	1	1601		- /	
Las Maria	s	3146		1	
Lares		10066		\	
Lajas		10012		1	
Isabela	-	21089		1	
Cabo Rojo)	22355		1	
Anasco		11017		1	
Aguadilla		22886		\	
Aguada		16180		\	
Mayaguez		235401		\	
Yabucoa		12874		\	
Vieques	-	4628		1	
San Loren	nzo	15210		\	
Orocovis		7186		1	
Naguabo		10565		\"	
Las Piedra Luquillo		14223 7755	/		

Signature:	Date & Time:	17/1





Restoration Stage Report Type II

A Restoration Stage Report Type II will be submitted at a minimum of three times per day until restoration is complete. The content for the Restoration Stage Report Type II is found below.

			Resourc	e Readiness	;		
Crew Type	# Requested	# In Service	# Out of Service	# In Rehab	Mutual Aid Requested	Federal Aid Requested	Estimated Time of Arrivals (ETAs) for Requested Resources
Internal Line							
External Line							
Tree					\		
Damage Assessor							
SERT							
Support						\	
					6.		
						\	
Notes:							$\langle T \rangle$
Weather Fo	precast (detaile	d):					
Signature: _				Date &	Гіте:		





Final Event Report

The following information will be included in LUMA's After Action Report (AAR) for Event Types (Types 3, 2, and 1). This information will be made available within 30 days of the deactivation of the LUMA Emergency Operations Center (LEOC) for the specific event.

	Event Restoration	Duration Summary
1	Company Name	\
2	Year	
3	Event Name (if any)	\
4	Date/Time Event Start	\
5	Date/Time Event End	
6	Event Duration (in hours)	\
7	Total Customers Served	\
8	Total Customers Affected	
9	% of Customers Affected (relative to total customers)	
10	Highest Peak # of Customers Affected	
11	Date and Time When Highest Peak of # of Customers Affected Occurred	
12	Total Customers Outage Hours	
13	Duration from Highest Peak to 95% Restored (in hours)	
14	CAIDI Highest Peak to 95% Restored (in hours)	
15	Duration from Highest Peak to 98% Restored (in hours)	
16	CAIDI Highest Peak to 98% Restored (in hours)	
17	Event CAIDI (in hours)	

CAIDI: Customer Average Interruption Duration Index

Priority Wires Down Summary				
1	Company Name			
2	Event Name (if any)			
3	Location (City/Town Name)			
4	Priority Level			
5	Date and Time Call Received			
6	Date and Time First Company Resource Arrives on Scene			
7	Time Between Call Received and First Company Resource Arrived on the Scene (in hours)			
8	Date and Time of Repair			



1. Narrative Description

Provide a narrative describing the Emergency Event, including, but not limited to:

- weather monitoring
- weather experienced
- event classification
- crew acquisition (by type)
- customer outages
- damage experienced
- beginning time and completion of preliminary damage assessment and detailed damage assessment
- timing of restoration

2. Event Description

- Total number of customers served
- Total number of communities served
- Date and time storm hit service territory
- Date and time of first outage
- Date and time Governor declared state of emergency
- Total number of customer outages over the course of the event
- Total number of communities affected
- Total number of days of restoration
- Date and time of peak number of outages
- Number of customer outages and number of customers restored for each day of the event and restoration
- Number of total customer outages and number of total customers restored per hour of the event and restoration, in an active Excel spreadsheet
- Time and date of restoration of 95 percent of customers
- Time and date of final restoration to customers;
- A single consolidated report based on the Stage Restoration reports. Data should include all necessary updates and corrections to its Stage Restoration reports and be submitted in an active Excel spreadsheet.
- A summary of all available resources (in crews and full-time equivalents), by day and resource type.

3. Weather

- Actual weather experienced
- A narrative description of LUMA's evaluation of weather forecasts before and during the event and copies of all supporting weather reports
- Maximum winds experienced
- Duration of inclement weather



 Type and amount of precipitation, including, but not limited to average amount of precipitation in service territory, and maximum amount of precipitation in service territory

4. Event Classification

- List and discuss all factors used to derive event classification types before, during, and after the event
- Describe any event classification type changes before, during, and after the event, and explain all factors supporting the change in classification

5. Equipment Damage

- Number of transmission lines affected
- List of transmission lines that became inoperative
- List of substations affected
- Number of distribution feeders affected
- Number of distribution feeders locked out
- Number of broken poles replaced indicate location, size, and age of damaged poles
- Number of feet of primary and secondary conductor replaced indicate type and size
- Number of feet of follow-up reconductoring remaining indicate type and size
- Number of damaged transformers indicate size, type, and age of damaged transformers
 - Availability of replacement transformers
- Repairs made
- Estimate for repairs
- Switching necessary to re-route power with adequate sectionalizing points

6. Trouble Order System

- Number of trouble orders
- Identify and describe any problems encountered on the Company's system
 - Was there sufficient manpower available to operate the system
- If de-centralization occurred, identify and describe any problems encountered after decentralization

7. Wires-Down Operations

- Total number of Priority wires-down calls by priority level
- For each day of the event and restoration period include:
 - o outstanding priority wires-down calls by priority level
 - completed priority wires-down calls by priority level provide in an active Excel spreadsheet;
- A summary of priority wires-down response provide in an active Excel spreadsheet
- Number of non-priority wires-down calls
- 8. Crew Supplements



- For all crew counts, please include both the number of crews and full-time equivalents
- Total number of LUMA crews
- Number and type of crews from outside LUMA
- Total number of wires-down assessors
- Total number of damage assessors
- For each day of the Pre-event and Service Restoration Stage, total number of crews per day, by type (e.g., line crew, tree crew, wires-down crew, transmission crew, damage assessor)
- For each day of the Pre-event and Service Restoration Stage, number of crews deployed, by type, to each district
- For each day of the Pre-event and Service Restoration period, number of wires-down assessors and damage assessors used

9. Food and Lodging

Summary of food and lodging related activities, including lessons learned

10. Helicopter

- Were helicopters available?
 - o How were the helicopters used?

11. Communication

- Narrative description of Pre-event Stage, Service Restoration Stage, and Post-event Stage communication with:
 - o public officials
 - o the public
 - o Lifeline Residential Service (LRS) Customers
- Narrative description of Pre-event Stage, Service Restoration Stage, and Post-event Stage internal communication;
- Identify all methods used for communication with the public, including a narrative description, the dates and frequency or use;
- Narrative description of Municipal Liaison process during Pre-event Stage, Service Restoration Stage and Post-event Stage;
- Number and locations of Municipal Liaisons

Signature:	Date & Time:



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-004

Subject: Mutual Aid

Request:

Submit a listing of all Mutual Aid agreements, assistance agreements and vendor support agreements that LUMA has executed to assist in emergency response events. For any agreements not executed but currently under development, please provide a status report, discussion of any factors that have prevented or delayed execution, and an assessment of the potential impact of not having agreements in place upon the emergency readiness and response. For any such agreements, also please provide steps LUMA is taking to facilitate execution.

Response:

To assist in emergency response efforts, LUMA is able to seek support under following mechanisms:

1. Mutual Aid Agreements

LUMA has access to Mutual Aid Agreements with the following parties:

- American Public Power Association (APPA)
- Edison Electric Institute (EEI)

The above referenced agreements are fully executed at this point in time.

Please note that the APPA agreement is executed between PREPA and APPA, but LUMA will be able to access aid through this agreement as an Agent of PREPA. Please refer to response TC-RFI-LUMA-MI-19-0006-210903-PREB-017 for further detail on the steps that will be taken to activate support under the APPA mutual aid agreement.

In addition to the above noted agreements, we are currently in discussions with Carilec to establish a Mutual Aid Agreement, but further details around this agreement are not finalized. LUMA does not anticipate that this will have any impact on LUMA's emergency readiness or ability to respond to an emergency here in Puerto Rico. In an emergency response event, it is unlikely that we will be able to rely on Carilec due to the close proximity of the Caribbean islands and the likelihood that resources will be required across the Caribbean in an emergency. LUMA is pursuing an agreement with Carilec to develop relationships with other Caribbean utilities, to engage in information sharing with other Carilec members, and to engage in a dialogue within the Caribbean utility community regarding emergency response.

2. On-Island Contractors

LUMA is able to seek support from seven on-island contractors for disaster response support. The contractors include:

- Román Electric Contractors
- Bonneville Contracting and Technology Group
- Lord Construction Group
- Bermúndez, Longo, Díaz, Massó



- MasTec Renewables PR
- Rolei Electric
- Puerto Rico Electrical Co-op

3. Off-Island Contractors

LUMA has two contracts in place with MasTec Renewables PR for disaster response support. MasTec has on-island resources under one contract and is also able to provide additional off-island resources in the event that they are required under a second contract. Please refer to TC-RFI-LUMA-MI-19-0006-210903-PREB-012 for further information regarding the MasTec Renewables PR contracts.

4. Vegetation Management Contractors

During a major event, LUMA will be able to deploy a large volume of vegetation management resources from the following contractors:

- DRC
- Xperts LLC
- Perfect Integrated Solution
- MasterLink



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-005

Subject: Employee Emergency Preparedness Procedures

Request:

Submit the completion date for the Employee Emergency Preparedness Procedures that are currently being refined after Tropical Storm Grace and Fred activations.

Response:

The ERP provides information specifically relating to Employee and Family Emergency Preparedness and that content is included in Section XI, Subsection E of the Base Plan starting on page 84, but there are not procedures in development specifically around the topic of Employee Emergency Preparedness.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-006

Subject: Emergency Preparedness Procedures

Request:

Submit the Emergency Preparedness Procedures for the Operational Areas including the Energy Control Center.

Response:

Emergency Preparedness Procedures for the Operational Areas including the Energy Control Center are not required under the OMA and are outside of the scope of the ERP submission. The procedures relating to System Operations titled Procedure 28: Emergency Response Execution was previously submitted to the Bureau under the System Operations Principles docket (NEPR-MI-2021-0001).

In an emergency situation, the Control Center and the LUMA Emergency Operations Center remain engaged through the OMS Specialist in the Planning and Intelligence Section. The OMS Specialist is responsible for communicating to the LEOC all relevant data related to the OMS and other outage resources. This includes anticipated restoration priorities, response team activities, and reporting.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-007

Subject: Public Energy Policy

Request:

Describe how the Communications and Liaison functions keep the Public Energy Policy Program of the Department of Economic Development timely updated during an emergency.

Response:

Under Law No. 57 of 2014 entitled "Puerto Rico Energy Transformation and RELIEF Law" and Law No. 17 of 2019 entitled "Puerto Rico Energy Public Policy Law.", Puerto Rico's Office of Public Energy Policy is the Lead Agency on ESF-12. In an Emergency Response, ESF-12 comes into operation with the timely activation of the PREMB Emergency Operations Center (EOC). Communication with the PREMB EOC is direct and electronic through PREMB's WebEOC and keeps the Office of Public Energy Policy of Puerto Rico up to date.

In an emergency, the LUMA Liaison Officer has the responsibility to keep external response partners engaged and up to date on LUMA's response and restoration activities. The Puerto Rico Department of Economic Development and Commerce has provided a Liaison Officer to the LUMA Emergency Operations Center to ensure continuity of operations, information, and collaborative restoration efforts.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-008

Subject: Internal Emergency Resources

Request:

Submit the current number of internal resources qualified to address an emergency, specifically linemen, substation personnel, and vegetation clearing resources.

Response:

The current number of internal field personnel qualified to address an emergency is approximately 1,100 including line workers, low voltage workers and substation workers. LUMA does not have internal resources specifically for vegetation clearing in an emergency, but, at this time, we have vegetation management contractors that will be able to provide up to approximately 400 resources for vegetation management which includes approximately 200 qualified resources for emergency response restoration specifically.

In addition to qualified field personnel, we have trained approximately 150 LUMA employees in the National Response Framework, National Incident Management System (NIMS), and Incident Command System (ICS) and this training will continue as more roles become identified in the LUMA Emergency Operations Center. Please refer to the information outlined in TC-RFI-LUMA-MI-19-0006-210903-PREB-001, for a full listing of the courses that employees assigned to the LEOC are required to complete.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-009

Subject: OMS Testing

Request:

Submit the frequency of OMS testing and the parameters that are used for the testing, e.g., testing OMS with an outage impacting 90% or more of customers over a 24-hour period.

Response:

OMS is an operational system that is in use and monitored 24 hours a day, 7 days a week, and 365 days a year to identify system disruptions/outages and aid in the efficient restoration of electricity to customers. OMS is tested when vendor software patches are applied, configuration changes are made, vendor product upgrades are implemented, and when the electrically connected model is migrated from the Geospatial Information System (bi-weekly). The OMS system is configured to be fully redundant with hot failover abilities.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-010

Subject: Indoor Phone Coverage

Request:

Submit the plan to extend satellite phone coverage indoors.

Response:

While LUMA does not have a plan to extend satellite phone coverage indoors, LUMA does have a strategy for how to utilize the existing satellite phone equipment effectively to avoid service interruption due to lack of indoor coverage in the event that use of satellite phone equipment indoors is required.

In the event of a LEOC activation, the Incident Commander will establish a schedule for satellite calls to personnel synchronized with the operational periods of the event. This is to ensure that users of satellite phones are outside with access to the satellite signal simultaneously. This coordination will allow for consistent, effective, and scheduled communication between all satellite phones.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-011

Subject: LP Discount Rider and LRS Customers

Request:

Submit how LUMA addresses the needs of the customers receiving the LP Discount Rider (Life Preserving Equipment) during an emergency event.

Response:

As stated during the technical conference, customers receiving the LP (Life Preserving) Discount Rider and customers on the Lifeline Residential Service (LRS) Rate will be contacted by LUMA to ensure they are aware of the emergency event and to determine if they require power restoration.

Depending on the advance awareness and severity of an event, a LUMA representative will contact customers receiving the LP Discount Rider and customers on the LRS Rate by phone before, during, or after an event occurrence. This point of contact made by a LUMA representative by phone would be in addition to any public information releases, social media publications, or interactive voice response (IVR) calls.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-012

Subject: MasTec contract

Request:

Submit the current MasTec contract that shows the scope of services sought to support emergency responses functions.

Response:

LUMA has two contracts in place with MasTec Renewables PR. The first contract is in place for Category I services and the second is for Category II services. Please refer to Scope of Work, outlined under Article 1 starting on PDF page 2, of each of the MasTec Renewables PR contracts in TC-RFI-LUMA-MI-19-0006-210903-PREB-012 Attachment 1 and TC-RFI-LUMA-MI-19-0006-210903-PREB-012 Attachment 2.

For a copy of the extensions of the MasTec Renewables PR contracts, please refer to TC-RFI-LUMA-MI-19-0006-210903-PREB-012 Attachment 3 and TC-RFI-LUMA-MI-19-0006-210903-PREB-012 Attachment 4.



PUERTO RICO ELECTRIC POWER AUTHORITY

MASTER SERVICE AGREEMENT

FOR SERVICES RELATING TO EMERGENCY WORKS CATEGORY I

AS FIRST PARTY: The Puerto Rico Electric Power Authority, hereinafter referred to as ("PREPA") a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, represented in this act by its Executive Director, Efran Paredes Maisonet, of legal age, married and resident of Bayamón, Puerto Rico.

AS SECOND PARTY: MasTec Renewables Puerto Rico, LLC ("Contractor"), a Limited Liability Company formed and existing under the laws of Puerto Rico, with a place of business at San Juan, Puerto Rico, herein represented by its Executive Vice President, John Audi, of legal age, married, and resident of Florida, United States, who has authority to enter into this Master Service Agreement ("Contract") by virtue of Corporate Resolution dated of August 18, 2020.

Both, PREPA and Contractor which are hereinafter referred to individually as a "Party" and jointly as "Parties".

WITNESSETH

WHEREAS, PREPA, by virtue of its enabling act (Act 83), has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA;

WHEREAS, as established in Section 205 (1) of Act 83, all purchases and contracts for supplies or services, except personal services, made by PREPA, including



Master Service Agreement for Emergency Services Category I MasTec Renewables Puerto Rico, LLC

its capital construction contracts, shall be made by calling for bids with sufficient time before the date the bids are opened so that PREPA can guarantee proper knowledge and appearance of competitive bidders.

WHEREAS, pursuant Section 205 (2) (f) of Act No. 83 a competitive bidding shall not be necessary when in the judgment of the Governing Board, a competitive request for proposal (RFP) process for the acquisition of goods, equipment, materials or services must be carried out to encourage greater competition, reduce the risk of collusion and promote the best possible terms and conditions in benefit of greater savings and reduction of costs and operational expenses of PREPA.

WHEREAS, the Parties have entered into this Contract, and PREPA has entered into master services agreements with a panel of other contractors, to provide an expedited method for engagement and initiation of emergency services to respond to a natural disaster or other emergency in Puerto Rico;

In consideration of the mutual covenants hereinafter stated, the Parties hereby agree as follows:

ARTICLE 1. Scope of Work

1.1 General

The Contractor shall standby and provide procurement, construction, reconstruction, restoration and repair services, including providing all labor, supervision, tools, equipment and materials necessary to perform such services, on an emergency,

f

Master Service Agreement for Emergency Services Category I MasTec Renewables Puerto Rico, LLC

as-needed basis at various locations in PREPA's service areas, in accordance with the provisions of this Contract, each Task Order and Applicable Law.

1.2 Task Orders

PREPA may, but shall have no obligation to, execute one (1) Task Order for each line, feeder, segment, substation, switchyard, control center, power generation unit or other project. The terms and conditions stated in this Contract shall govern any Task Order, all in accordance and compliance with FEMA guidelines and regulations.

This Contract does not obligate the Contractor to accept any Task Order from PREPA or a PREPA Affiliate, provided that commencement of Work by the Contractor under a Task Order shall be deemed acceptance of such Task Order (and all provisions of this Contract in respect thereof). Furthermore, if the Contractor performs work instructed in writing by PREPA or a PREPA Affiliate, but not specifically included in a Task Order, the Contractor agrees that it shall perform such work under and in accordance with this Contract.

ARTICLE 2. Definitions

In this Contract:

Affected Party shall have the meaning set forth in Article 15 (Force Majeure).

Affiliate means, in relation to any Person, a company or entity that directly or indirectly Controls, is Controlled by or is under common Control with such Person.

Applicable Laws means all applicable laws, statutes, regulations, ordinances, constitutions, acts, orders, decrees, licenses, permits, approvals, rules or legislative or



Master Service Agreement for Emergency Services Category I MasTec Renewables Puerto Rico, LLC

administrative actions of any Governmental Authority, whether of an executive, legislative, judicial, administrative, or other nature, including any ministry, court, department, municipality, city, agency, territory, parish, county or political subdivision thereof or any other duly constituted public authority having jurisdiction over the Contractor or the performance of the Work, including, but not limited to PREPA Overhead Transmission and Distribution Standards, as modified from time to time, or any other applicable PREPA Standard, the latest rules and regulations of the Institute of Electronic and Electrical Engineers (IEEE), National Electrical Manufacturer's Assoc. (NEMA), American Concrete Institute (ACI), American National Standards Institute (ANSI), National Electric Safety Code (NESC), Occupational Safety and Health Administration (OSHA), National Fire Protection Assoc. (NFPA) and EPA and Federal regulations under the Code of Federal Regulations Title 2 Sections 200.317 to 200.321, 200.326, 200.33 and its Appendix II.

Calendar Day shall mean each and every 24 hour day shown on the calendar, beginning and ending at midnight.

Change Order means, for any Task Order, a written agreement between the Parties that sets out changes in price, schedule, or Scope of Work related to such Task Order, and which has been approved by the appropriate PREPA representative pursuant to the general authorization for approval, substantially in the form of Appendix B.

Completion means, for each Task Order, the complete performance by the Contractor of all Work under such Task Order and all other obligations under this Contract (other than any obligations arising during the Warranty Period), including final clean-up of the Site



Master Service Agreement for Emergency Services Category I MasTec Renewables Puerto Rico, LLC

and rectification of all Punch-List items, in accordance with such Task Order and the terms of this Contract, as evidenced by a Final Acceptance Certificate, issued by the Engineer.

Completion Date means the date in which all tasks and project scope has been completed.

Confidential Information means each Party's trade secrets, confidential, proprietary, and/or non-public knowledge, know-how, data or other proprietary information or materials, including but not limited to, (i) inventions, ideas, samples, prototypes, assays, devices, hardware, software, materials, electronic components, formulas, patterns, compilations, programs, methods, processes and procedures for producing any such items, as well as data, clinical and pre-clinical results, know-how, improvements, inventions, discoveries, developments, designs and techniques; (ii) information regarding plans for research, development, new products, marketing and selling activities, business models, budgets and unpublished financial statements, licenses, expenses, prices, costs, suppliers and customers; and (iii) information regarding the skills and compensation of employees, advisors, or other consultants of each respective Party.

Construction Manager means the professional assigned by the Contractor to provide the construction management services on the project. This professional shall be a professional engineer registered in Puerto Rico and an active member of the Puerto Rico College of Engineers and Land Surveyors.



Master Service Agreement for Emergency Services Category I MasTec Renewables Puerto Rico, LLC

Contract means collectively, all the covenants, terms, and stipulations in these articles of agreement, and in all supplementary documents hereto attached which constitute essential parts of the Contract and are hereby made part thereof, to wit:

Contract, as amended from time to time

Special Conditions

Technical Specifications and Drawings enumerated therein

Addenda to Request for Proposals

Request for Proposals

Contractor's Proposal

Performance and Payment Bonds

Letter of Award

Contracting Officer means the Chief Executive Officer/Executive Director of PREPA, acting directly or through its properly authorized representatives.

Contractor has the meaning set forth in the preamble and designates the company that will perform the Services as defined in ARTICLE 1, Scope of Work. The Contractor will be responsible to comply with any applicable condition or recommendations established under all approved permits issued by applicable local and federal regulatory agencies. Contractor shall perform, with his own labor force or organization, work amounting to not less than twenty five percent (25%) of the total Contract cost.



Contractor Personnel means the Contractor, its parent, each of their respective affiliates, any Subcontractor, and any of their respective directors, members, managers, officers, employees, representatives, agents, licensees, insurers, and invitees.

Contract Ceiling shall have the meaning set forth in Article 3 (Payment).

Cure Period shall have the meaning set forth in Article 19.2 (Default).

Delay means an event that extends the completion date of the project by affecting tasks on the critical path. The project schedule shall clearly display that the Contractor has used, in full, all the float time available for the work involved with this request.

Default shall have the meaning set forth in Article 19.2 (<u>Default</u>).

Dispute means any claims, controversies and disputes between the Parties arising out of, connected with, or relating to, this Contract, including any dispute regarding the existence, termination or validity of this Contract between the Parties.

Disruption means the effect of events upon a non-critical path that, while using additional recourses and extending the duration of that particular activity, or path of activities, does not extend the end date of the project.

Engineer means PREPA's Transmission and Distribution Director, acting directly or through its properly authorized agents.

Environmental Officer shall be the person designated by the Contractor whose duties shall be the compliance of all environmental impacts and inspections. The Environmental



Officer shall be present at all times on site. All environmental reports shall be sent to the PREPA's Environmental Protection and Quality Assurance Division.

Environmental Compliance Officer means PREPA's personnel in charge of project inspections and environmental regulations compliance.

Estimated Cost shall, for any Task Order, have the meaning defined in such Task Order, subject to any adjustment by a Change Order.

EPA means the federal Environmental Protection Agency.

EQB means the Puerto Rico Environmental Quality Board.

FEMA means the Federal Emergency Management Agency.

Final Acceptance shall mean the written approval by PREPA that, in PREPA's reasonable determination and to PREPA's reasonable satisfaction, the entire work has been completed, the final cleaning up of the site has been performed, and all Punch List items have been rectified.

Final Acceptance Certificate means, for any Task Order, a written certificate, executed by the Engineer, confirming (i) Completion by the Contractor under such Task Order, and (ii) the date of such Completion.

Force Account Work means extra work for which the Contractor delegates the administration to PREPA and that is paid for on the basis of actual costs for labor, materials, equipment, bonds, insurance, and taxes, plus an established allowance, as provided in this Contract or Special Conditions.

1

Force Majeure Event shall have the meaning set forth in Article 15 (Force Majeure).

Governmental Authority means any court or tribunal in any jurisdiction or any federal, state, county, municipal, local or other federal, state, municipal or local governmental or quasi-governmental body, regulatory body, agency, authority, office, department, commission, board, bureau, public corporation, municipality or instrumentality having jurisdiction over a Party, the Work and/or the Site.

Hazardous Substances means (i) any chemical, substance, material, or waste that is or becomes considered, classified or regulated under any applicable environmental, health or safety Applicable Law as hazardous or toxic or is or may be required to be remediated, including chemicals, products, substances, materials, or wastes defined, listed, or included in the definitions of "hazardous substances," "special waste," "hazardous wastes," "extremely hazardous substance," "solid waste," "medical waste," "regulated substance," "hazardous materials," "toxic substances," "contaminants," "pollutants," or "air contaminant" or any words of similar import under any environmental, health or safety Applicable Law; (ii) hydrocarbons, petroleum, oil, petrochemical or petroleum products, petroleum substances, or any fraction thereof whether in solid, liquid, or gaseous form, (iii) explosives, radioactive materials (including naturally occurring radioactive materials), asbestos containing materials, mercury, polychlorinated biphenyls, urea formaldehyde foam insulation, or radon, or (iv) any other pollution, contamination, material, substance or waste, exposure to which is now or hereafter prohibited, limited or regulated by any



Governmental Authority, or which may be the subject of liability under environmental Applicable Laws for damages, costs or remediation.

HUD means the United States Department of Housing and Urban Development, HUD General Provisions is attached hereto as <u>Appendix F</u>.

Letter of Award (LOA) means the letter signed by the authorized PREPA representative that notified Contractor, as bidder or proposer, that PREPA accepted its bid or proposal and intended to award this Contract. The LOA also informs the winning bidder or proposer that certain documents must be submitted to PREPA prior to contract execution, such as but not limited to; Corporate Resolution, evidence of payment and certificate of the Puerto Rico State Insurance Fund, municipal license taxes, construction excise taxes, certificate of insurances and endorsements, documents of the Owner Controlled Insurance Program, payment and performance bonds.

Letter of Release means the letter signed by the Contractor's contracting officer and notarized stating that the Contractor is not indebted to any subcontractor, consultant, employee, material and services supplier, federal, state, or territorial agency, municipality, manufacturer, or insurance agency, in connection with the work performed under this Contract. This list is not exhaustive and may be amended by PREPA to include additional relevant individuals or entities.

Non-Affected Party shall have the meaning set forth in Article 15 (Force Majeure).

1

Notice to Proceed means a written order sent to the Contractor by the Contracting Officer, or his designated representative, notifying the Contractor of the date upon which the Contractor is given authority to begin the work.

Owner means the Puerto Rico Electric Power Authority (PREPA).

PREPA has the meaning set forth in the preamble above or if an Affiliate of PREPA issues a Task Order under this Contract, means such Affiliate of PREPA.

Program shall have the meaning set forth in Article 42.1 (General).

Punch-List means the list of non-conforming or incomplete work items that are identified by PREPA as been required for the Final Acceptance of the work.

Qualified Bank means, for any Performance Guarantee, a commercial bank or other financial institution located within a country (or other jurisdiction) acceptable to PREPA, which has, as of the date of issuance or renewal of such guarantee, a long term counterparty credit rating of at least "A" by Standard & Poor's Ratings Services and a long term foreign currency deposit rating of "A2" by Moody's Investors Services Inc.; provided that, if such financial institution's ratings match the foregoing minimum ratings, no other credit rating agency shall have placed such financial institution on credit watch with negative implications.

Resident Engineer shall mean an employee of the Contractor who serves as the manager of the field office responsible for the administrative issues, quality control, and technical aspects of the project, among others. This person shall be a professional



engineer licensed in Puerto Rico and an active member of the Puerto Rico College of Engineers and Land Surveyors. The Resident Engineer shall be present on site at all times during construction.

Retainage means an amount equal to ten percent (10%) of each payment up to the achievement of Completion under any Task Order, which shall be released in accordance with this Contract.

Safety Officer shall be the person designated by the Contractor whose only duties shall be the prevention of accidents and to implement the Safety and Health Program and the Site Specific Work Plan. The Safety Officer shall be present at all times on site.

Site means, for any Task Order, the location or locations at which the Contractor or any Subcontractor(s) performs Work as described in Schedule 1 of such Task Order.

Special Conditions are all applicable special requirements, regulations and/or directions covering conditions peculiar to a particular project that are attached to this Contract.

Subcontract means an agreement with a Subcontractor for the performance of any portion of the Work.

Subcontractor shall mean any subcontractor, supplier, or vendor of Contractor engaged for the purposes of progressing the work under a subcontract with the Contractor and in which the Contractor has no equity interest or profit sharing affiliation. Any such entity in which the Contractor owns equity or has a profit sharing affiliation shall be considered to



be the Contractor. Contractor shall comply with requirements set forth on ARTICLE 44, Subcontracting and Assignment.

Substantial Completion shall mean the date, as certified by PREPA, that, in PREPA's reasonable determination and to PREPA's reasonable satisfaction, the Contractor reaches the stage of completion when PREPA accepts the legal and safe use of the facility or system for its intended purposes, even though all work is not completed. At that stage, the time of completion of the entire work shall cease and also the accruing of penalties. However, the Contractor shall finish the items included in the Punch List and all other pending tasks or requirements of the Contract, as required in the Substantial Completion certificate. Specifically, for this project shall also mean, to the extent applicable to the Work performed by the Contractor under the applicable Task Order, that:

- A. All powerline structures, parts, accessories and electric protections have been installed and tested in compliance with the types, dimensions, locations, and elevations required in the applicable standards, drawings and specifications.
- B. Contractor has submitted all certifications of compliance of field and laboratory tests.
- C. Contractor has submitted all debris and excess soil disposal manifests.
- D. Contractor has submitted and received approval for all equipment's, parts, materials, certifications, and laboratory tests needed to perform the tasks.

A

- E. Contractor has performed all the repair works required per the task order scope.
- F. Contractor has obtained all requested permits and endorsements, if required.
- G. Contractor has submitted evidence of compliance with all requirements on permits and endorsements, if required.
- H. Contractor has submitted evidence of payment of construction taxes and patents to municipal government, including change orders, if required.
- All concrete structures have been constructed to the required dimensions and tested by Contractor.
- J. All required equipment has been installed and tested by Contractor.
- K. As built drawings have been submitted and signed by a Professional Engineer, licensed in Puerto Rico.
- L. Site is clean.
- M. Contractor has submitted to PREPA all required documents, evidence of payments and any other document required by PREPA, any state or federal governmental agency, any municipality, or required by any permit, etc.



Target Completion Date means, for any Task Order, the target date specified in such Task Order for Completion.

Task Order means a written order for Work, issued by PREPA to the Contractor, in the form attached hereto as <u>Appendix A</u>.

Term shall have the meaning set forth in Article 19.1 (Contract Term).

Transfer shall have the meaning set forth in Article 44 (<u>Subcontracting and Assignment</u>).

Warranty Period means, for any Task Order, the period commencing on the date of Completion under such Task Order and expiring [six] (6) months thereafter unless otherwise set forth in such Task Order.

Work means, for any Task Order, all obligations, duties and responsibilities required of the Contractor, described in Schedule 2 of such Task Order, including all labor, goods, materials and services to be provided or performed by the Contractor Personnel from time to time.

Working Day means each day Monday through Friday and hours from 7:00 AM to 11:30 AM and from 12:30 PM to 4:00 PM.

ARTICLE 3. Payment

3.1 General

PREPA shall pay the Contractor for the Work performed under each Task Order on a time and materials basis, subject to the Work fully complying with all the terms, conditions, and specifications of this Contract and such Task Order, based on the rates set out in Appendix E (Rates).

1

Page 15 of 185

3.2 Contract Ceiling

As compensation for Work performed under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed twenty million dollars (\$20,000,000) (the "Contract Ceiling"). PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract Ceiling unless otherwise agreed to by the Parties in writing. The Contractor will be solely responsible for any work it or any of its Subcontractors, if any, does in excess of the Contract Ceiling. All payments shall be made after the approval of the Contract Release, plus any additional amount to be paid due to extra work ordered and accepted by the Engineer and approved by the Contracting Officer, according to ARTICLE 9, Changes Orders, below. Nothing herein shall preclude the Parties from agreeing to increase said amount in writing and signed by both Parties.

The Contractor shall immediately notify PREPA when the aggregate billing under the Contract amounts to seventy-five percent (75%) of the Contract Ceiling. In addition, the Contractor shall present an itemized list of the remaining billable Work under the Contract.

3.3 Invoices

Within [ten (10)] days after the end of any month in which Work was performed by the Contractor, the Contractor shall submit to PREPA an invoice for all Work performed during the prior month, if any, which invoice shall be in the amount equal to the payment due for such completed Work, less Retainage to be withheld (if any). For the avoidance



of doubt, in the event the Contractor completed Work under multiple Task Orders in the previous month, the Contractor shall submit separate invoices for the Work performed under each Task Order. Each invoice shall also include amounts properly due and owing for Work performed during the prior month pursuant to any Change Orders issued pursuant to this Contract or the applicable Task Order, less Retainage. The Contractor shall submit invoices to the following address:

Puerto Rico Electric Power Authority, Accounts Payable Section, PO Box 70253, San Juan, Puerto Rico 00936-0253

3.4 Invoice Requirements

Each invoice shall be (i) approved by the Engineer, in its reasonable determination, within ten (10) days after PREPA's receipt of Contractor's invoice (ii) submitted with all reasonably necessary documentation supporting the Contractor's request for payment, including technical support documentation (including for required tests), inspection certifications, work reports, third-party invoices, the actualized progress schedule, Scurve graph, and any Special Conditions specific to a particular Task Order, (iii) include sufficient line item detail for PREPA to reasonably verify the basis of the charges, including quantities, disaggregated activities, services and tariffs pursuant to the relevant Task Order, detailed records regarding hours worked by each member of the Contractor's Personnel and pricing, (iv) include all certifications required by this Contract, including



Davis-Bacon Act compliance. Upon PREPA's reasonable request, the Contractor shall furnish such other supporting documentation and certificates and provide such further information as may be reasonably requested by PREPA. No invoices shall be accepted for evaluation without the required documents and approvals. As an essential requirement of any invoices submitted to PREPA, without which such invoice will not be processed for payment, all invoices submitted by the Contractor shall include the following certification signed by its duly authorized representative,

No Interest Certification:

"We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the Services provided is the agreed-upon price that has been negotiated with an authorized representative of PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received."

Contractor's Signature

3.5 Payment Disputes

Unless otherwise provided in this Contract or a Task Order, and subject to Retainage, PREPA shall remit payment for undisputed portions of the Contractor's invoices within forty-five (45) days after PREPA's receipt of an approved invoice and all supporting documentation required under this Contract. If PREPA disputes an invoice amount for any reason, then PREPA shall notify Contractor in writing, remit payment for all undisputed amounts, and the Dispute shall be resolved pursuant to Article 31

1

(<u>Disputes</u>). Payment of disputed amounts shall be made no more than ten (10) days after such Dispute is resolved. Any amounts due but not paid by PREPA hereunder shall bear interest at the lesser of (i) an annual rate equal to the prime rate published by the Wall Street Journal, or (ii) the maximum rate permitted under Applicable Laws. All amounts contained herein are in and shall be paid in U.S. Dollars. PREPA may, in its reasonable discretion and upon prior written notice to the Contractor explaining the reasons therefor, offset any amount due and payable by the Contractor to PREPA against any amount due and payable to the Contractor hereunder.

The funds for the payment of the Work performed by the Contractor will be paid from account 01-1747-17595-555-474.

3.6 Retainage

All payments made by PREPA for equipment and/or materials delivered and accepted and/or services rendered and work performed under this Contract will be charged to a construction estimate. In making such payments, PREPA shall retain ten percent (10%) of each payment until final completion and acceptance of all work covered by the Contract. For each Task Order, PREPA shall pay to the Contractor all Retainage in respect of such Task Order, minus the corresponding deductions (if any), within a reasonable period of time after the latest to occur of (i) the issuance of the Final Acceptance Certificate for the Work under such Task Order and (ii) receipt by PREPA from the Contractor of the final certifications, an invoice for such payment, and a duly-



signed and notarized Deed of Release from the Contractor and each Subcontractor, in the form set for in Appendix D.

3.7 Effect of Payment

No payment of invoices or portions thereof shall at any time constitute approval or acceptance of the work under this Contract, nor be considered to be a waiver by PREPA of any of the terms of this Contract. However, title to all materials and equipment to the extent that payments have been received, whether or not the same have been incorporated in the work, shall vest in PREPA and, in any case, shall not be part of Contractor's property or estate in the event the Contractor is judged a bankrupt or makes a general assignment for the benefit of creditors, or if a receiver is appointed on account of the Contractor's inventory.

3.8 Effectiveness

This Contract shall enter into full force and effect upon its filing by PREPA at the Office of the Comptroller of the Commonwealth of Puerto Rico, in compliance with Act of October 30, 1975, No. 18, as amended.

ARTICLE 4. Commencement and Performance of Work

4.1 General

Upon the Contractor's receipt of an executed Task Order for Work, the Contractor shall immediately commence the performance of the Work and exercise its reasonable efforts to achieve Completion by the Completion Date in the applicable Task Order, and continue such operations diligently and without delay, in conformity with the

Page 20 of 185

specifications and requirements contained herein and in such Task Order. The Contractor specifically acknowledges that time is of the essence in the performance of all obligations under this Contract and that the Contractor has the capacity and personnel to commence with the performance of Work within a commercially reasonable period of time after Contractor receives an executed Task Order. If the Contractor fails to commence with performance of Work in such period, PREPA shall have the right to (i) cancel such Task Order without any liability whatsoever, and (ii) engage a third party to perform such Work and shall notify the Contractor accordingly. Notwithstanding anything provided on this Contract regarding Completion of the Work, the Contract may be extended for additional periods of ninety (90) calendar days, if PREPA notifies the Contractor of PREPA's interest in such extension in writing within thirty (30) calendar days prior to the expiration of the original term and the Parties reach an agreement regarding the rates applicable during the extension term prior to the expiration of the original term.

4.2 Documentation Requirement

The Contractor shall, within ten (10) working days after its receipt of the Letter of Award (LOA) signed by the Engineer, make commercially reasonable efforts to furnish all documents reasonably required therein.

4.3 Schedule Obligations

The Contractor shall comply with all scheduling obligations and perform all Work in accordance with the schedule agreed upon under each Task Order, including the Completion Date, and as modified by any Change Order. Within a reasonable period



of time after Contractor's receipt of an executed Task Order, the Contractor shall prepare and submit to PREPA for its review and written acceptance a detailed schedule for the performance of the Work. This progress chart and statement of operations shall show the dates of commencement and completion of each item of the work. This schedule shall also include the milestones for the submittals and material ordering, the critical path of the project, and the labor hours per item. If said progress chart and/or statement of operations are not satisfactory to the Engineer, they shall be revised by the Contractor to provide for the use of adequate and sufficient equipment and labor force and a method of operations which will assure the completion of the work within the required time. This information shall become a part of this Contract after the Engineer has approved it in writing. PREPA's review or acceptance of the schedule shall not relieve the Contractor of any obligations for the performance of the Work nor shall it be construed to establish the reasonableness of the schedule, but PREPA shall be entitled to reasonably rely upon the baseline schedule, including reliance that the Contractor has developed a comprehensive, reasonable and accurate schedule to plan, organize, direct, coordinate, perform, execute and complete each portion of the Work within the times set forth in the Task Order. After acceptance by PREPA of the baseline schedule, the Contractor shall manage and update such schedule no less frequently than once per month to reflect the actual progress to date. The Contractor shall provide all supporting data necessary to validate the progress shown in each such schedule update. The Contractor shall promptly correct any errors or inconsistencies in the updates to the schedule identified to the



Contractor by PREPA and resubmit a corrected monthly updated schedule for PREPA's review.

4.4 S-curve Graph

The Contractor, within fifteen (15) days after execution of a Task Order, shall file with the Engineer the S-curve Graph. The S-curve shall be plotted with the percent of work completed in the Y-axis and the cost in the X-axis. This graph shall be based on the proposed schedule as define on Section 4.3 above.

4.5 Contract Quantity Report

The Contractor shall submit weekly and for approval, to the Engineer, the contract quantity report sheet. This sheet will be given to the Contractor at the preconstruction meeting.

ARTICLE 5. Suspension of Work

The Contracting Officer or the Engineer may, at any time and with prior written notice to the Contractor, suspend the whole or any portion of the Work under a Task Order, but this right to suspend the Work shall not be construed as denying the Contractor actual reasonable, and/or necessary expenses due to any delays caused by such suspension, it being understood that such expenses shall not be allowed for such suspension to the extent ordered by the Contracting Officer or the Engineer on account of a Force Majeure Event, as defined in Article 15 (Force Majeure), herein below. The cause of such suspension shall be set forth in writing by the Contracting Officer, the Engineer or the designated representative within two (2) Working Days after the



suspension. In the event any such suspension continues for ten (10) days or more, the Contractor shall have the option to terminate the Contract and/or any Task Order immediately, in which case PREPA shall pay the Contractor for all Work performed through the date of termination calculated in accordance with Contractor's proposal as well as all expenses and costs incurred by the Contractor as a result of such suspension, including, but not limited to, all expenses and costs incurred for demobilization and termination fees for facility/yard leases in Puerto Rico.

ARTICLE 6. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts in connection with this project. The Contractor shall afford PREPA and any other contractor reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate its work with theirs. If any part of the Contractor's work depends for proper execution or results upon the work of PREPA or of any other contractor, the Contractor shall visually inspect and promptly report to PREPA any readily observable defects in such work or any conflicts between such work and that of the Contractor, PREPA to decide, if necessary, the course to be followed by each party.

Wherever work being done by PREPA's own forces or by other contractors is contiguous to work covered by this Contract, the respective rights of the various interests involved shall be established by PREPA to secure the completion of the various portions of the work in general harmony. Whenever, in the reasonable opinion of PREPA.



the orderly progress of the entire project requires the use by PREPA's own forces or by other contractors of construction equipment installed and operated by the Contractor for its own use, PREPA will arrange with the Contractor for such use, at times, and in locations which will not interfere with the work being done under this Contract. Contractor shall not be responsible for any loss or damage arising from, related to, or resulting from PREPA's or other contractors' use of any construction equipment installed and operated by the Contractor. PREPA shall be responsible for the condition and proper use of any construction equipment installed and operated by the Contractor, any damages or injuries arising from such use, and any cost associated with the repair or replacement of such equipment.

ARTICLE 7. Submittals

The Engineer shall be allowed five (5) days to evaluate and review submittals and mark them as disapproved, approved as corrected, or approved. The Contractor is responsible to submit three sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation.

Before commencement of any Work required under this Contract, the Contractor shall submit for PREPA's approval, as required in ARTICLE 42, Safety Provisions, its Occupational Safety and Health Program.

ARTICLE 8. Specifications and Drawings

PREPA reserves the right to review and approve any drawings, specifications, methods, and data prepared or generated by the Contractor under this Contract. The

Page 25 of 185

Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the working area a copy of the Contract, its supplementary documents, and shall, at all times, give the Engineer access thereto. In case of any reasonably discoverable discrepancy in the specifications and drawings, the matter shall immediately be submitted to the Engineer, without whose decision said discrepancy in the specifications and drawings shall not be adjusted by Contractor, and Contractor shall not proceed with the work affected thereby until it has received written orders from the Engineer. The Engineer will, from time to time, furnish such additional detailed drawings or other information as it may consider necessary for carrying out the work.

ARTICLE 9. Changes Orders

9.1 General

No amendments, changes, or modifications to the scope of Work under any Task Order, shall be valid except by a Change Order signed by PREPA and the Contractor. PREPA may make and the Contractor may request changes in the Work to be performed under a Task Order or within the general scope of this Contract at any time through a Change Order, provided that no changes shall be made to the scope of the Work that would render the costs incurred in the performance of this Contract unallowable or not allocable under, or outside the scope or not reasonable for the completion of, federal grant awards from FEMA, HUD or any other U.S. federal agency. Each Change Order shall provide for an equitable adjustment to both the Estimated Cost (if any) of the relevant Task Order and agreed schedule under a Task Order (including the Completion

Page 26 of 185

Date) for the performance of the additional Work resulting from the adjustment to the scope of Work under such Change Order. Except as herein provided, and with the time frames stated, no order, statement, or conduct of PREPA shall be treated as a change under this section or entitle the Contractor to an equitable adjustment hereunder.

If agreement on the prices for the extra work cannot be reached between PREPA and the Contractor, PREPA may order in writing the Contractor to perform the required work on a force account basis on a mutually agreeable percentage and the Contractor shall then execute the order. PREPA may also elect to have such work performed by its own forces or by separate contract.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a change in the work by PREPA, except those so minor that their propriety can be seen by inspections, shall include a complete itemization of the costs including labor, materials, equipment, and subcontracts. When subcontractors perform major cost items, they shall also be itemized.

ARTICLE 10. Inspection

10.1 Daily Inspections

Unless otherwise set forth in the Task Order, during the progress of Work, the Engineer or its authorized representatives shall make daily inspections to evaluate all Work as established and accepted by PREPA to ensure the Contractor's compliance with the Task Order and with any power line specifications. All Work shall be executed, performed and built in full compliance with PREPA's electrical codes and any other special

1

requirement established prior to the commencements of Work. The relevant Sites shall be marked with cones and signs visible from the nearest road to identify crew location.

10.2 Approval by PREPA

All Work performed under a Task Order by the Contractor is subject to inspection and approval by PREPA. Any Work not meeting PREPA's or generally accepted power line construction standards or turned in falsely shall be redone at no cost to PREPA. If subsequent inspections are required after the initial follow up, the actual cost of such inspections shall be billed to the Contractor. The presence of PREPA personnel shall not in any way alter, modify, or lessen the obligation of the Contractor to comply with the requirements of any Task Order or this Contract. Any inspection by PREPA personnel shall not be considered as an acceptance or waiver of warranty or other rights of the inspected Work.

10.3 Work Correction

The Contractor shall correct all Work reasonably deemed by PREPA as failing to conform to the Task Order or power grid construction specifications provided by PREPA to the Contractor pursuant to the previous paragraphs within two (2) days of the Contractor's receipt written notice from PREPA. The Contractor shall promptly remedy the lack of performance and execute the Work in accordance with the specifications, without expense to PREPA. If the Contractor fails to correct Work deemed by PREPA as defective within two (2) days after the Contractor's receipt of written from PREPA, PREPA may correct such Work at the expense of the Contractor. Such actual, documented, and

Page 28 of 185

reasonable expense may be deducted by PREPA from any payments due or to become due to the Contractor or, if final payment has been made, the Contractor shall reimburse PREPA such amounts.

10.4 Readiness for Inspection

The Contractor shall give notice to PREPA whenever any Work becomes ready for inspection and before it is covered up, put out of site or packaged for storage and/or transportation, and PREPA may decide to inspect it. If the Contractor fails to give notice, if and when instructed by PREPA, the Contractor shall uncover the Work and reinstate it at its own expense. The inspection or non-inspection of any portion of the Work by PREPA shall not constitute approval or acceptance thereof and shall not relieve the Contractor from any obligation under this Contract or applicable Task Order. The Contractor shall permit all persons appointed or authorized by PREPA to visit and inspect the Work, or any part thereof at all times, and places during its progress.

ARTICLE 11. Completion

11.1 General

The Contractor shall, for each Task Order, complete the Work under such Task Order in a diligent manner and exercise its reasonable effects to achieve Completion by the Target Completion Date specified in such Task Order.

11.2 Acceptance of Work

Upon completion of all Work under a Task Order, the Contractor shall certify and represent to PREPA in writing that all of the requirements under the applicable Task Order

Page 29 of 185

and this Contract have occurred (except for those obligations that continue after Completion). PREPA shall notify the Contractor whether it accepts or rejects such Completion certification within fifteen (15) days following PREPA's receipt thereof. If PREPA accepts that Completion occurred, PREPA shall issue a Final Acceptance Certificate. If PREPA does not agree that Completion has occurred, then PREPA shall state the basis for its rejection in reasonable detail in a written notice provided to the Contractor. The Parties shall thereupon promptly and in good faith confer and make all reasonable efforts to resolve such issue. In the event such issue is not resolved within fourteen (14) days of the delivery by PREPA of its notice, PREPA and the Contractor shall resolve the Dispute in accordance with the dispute resolution process provided in Article 31 (Disputes) of this Contract; provided, however, if such deficiencies relate to the failure to complete Punch-List items, PREPA may, in addition to any other rights that it may have under this Contract or the Task Order, at law or in equity, complete such Punch-List items at the expense of the Contractor in accordance with Article 11.3 (Punch-List). No acceptance by PREPA of any or all of the Work or any other obligations of the Contractor under this Contract or a Task Order, including acceptance of Completion shall in any way release the Contractor from any obligations or liability pursuant to this Contract or a Task Order.

11.3 Punch-List

Reasonably in advance of the Target Completion Date for any Task Order, the Contractor shall notify PREPA in writing, and PREPA and the Contractor shall inspect the

Work related to such Task Order. The Contractor shall prepare a proposed Punch-List of items identified as needing to be completed or corrected as a result of such inspection to achieve Completion. The Contractor shall promptly provide the proposed Punch-List to PREPA for its review and written approval, together with an estimate of the time and cost necessary to complete or correct each Punch-List item. The Contractor shall add to the proposed Punch-List any Punch-List items identified by PREPA during its review, and the Contractor shall immediately initiate measures to complete or correct, as appropriate, any item on the Contractor's proposed Punch-List or otherwise that PREPA, in the exercise of its reasonable judgment, believes must be completed or corrected to achieve Completion of the Work. This Punch-List shall include all environmental concerns for restorations and/or mitigations.

11.4 Partial Occupancy and Use

Prior to Completion under any Task Order, PREPA may occupy or use all or any portion of the Work then capable of functioning safely. Such occupancy or use shall not in any way release the Contractor or from any obligations or liabilities under this Contract or such Task Order, including the obligation to complete the Work by the Target Completion Date, nor shall such occupancy or use be deemed to be an acceptance by PREPA of such portion of the Work.

11.5 Risk of Loss

Notwithstanding the passage of title as provided in Article 11.6 (<u>Transfer of Title</u>), the Contractor bears risk of loss to the Work under a Task Order until PREPA accepts in

Page 31 of 185

writing that Substantial Completion of the Work under the applicable Task Order has occurred. Until Substantial Completion of the Work under the applicable Task Order, the Contractor shall have the responsibility to replace, repair or re-construct the Work under the applicable Task Order which has become lost, stolen, damaged or destroyed prior to Substantial Completion, except to the extent such loss, damage, or destruction results from a Force Majeure Event.

11.6 Transfer of Title

Title to all Work completed under a Task Order, and to all materials, equipment, tools, apparatus, and supplies (except the Contractor's tools, equipment, and supplies), shall pass to and vest in PREPA upon the payment by PREPA therefor (regardless of whether, in the case of such materials, equipment, tools apparatus or supplies, having become a part of the Work or used in the construction thereof). Said transfer of title shall not affect PREPA's rights as set forth in other provisions of the Contract.

11.7 <u>Clean-up</u>

Within fifteen (15) days after Completion of any Task Order, the Contractor shall remove its material, equipment, construction debris, and refuge from the Site and clean up the Site and any adjacent environmental areas impacted by the Contractor's Work, all in a good and workmanlike manner. If the Contractor fails to remove its material, equipment, debris and refuge and clean up the Site and any adjacent environmental areas impacted by the Contractor's Work within fifteen (15) days after completion of the Work or within five (5) days after it receives a request from PREPA, PREPA shall have

1

the right to remove the same and clean up the Site and any adjacent environmental areas impacted by the Contractor's Work and the Contractor shall be liable for and pay to PREPA (directly or by offset, at PREPA's sole discretion) all costs associated with such removal and/or restoration, including costs associated with permitting, transportation and disposal at an authorized location.

ARTICLE 12. Superintendence by the Contractor

Before commencement of the work, the Contractor shall designate a competent Construction Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide construction management services. The Contractor shall also have a competent Resident Engineer, satisfactory to the Engineer, on the work site, at all times, during progress of the work, with authority to act for the Contractor. The Resident Engineer shall only be assigned to this project. The Construction Manager and Resident Engineer shall represent the Contractor and all directions given to them by the Engineer shall be as binding as if given to the Contractor. The Contractor shall, at all times, enforce strict discipline and good order among its employees and shall not employ on the work any unsuitable or unskilled person in the work assigned to him. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for such acts or omissions.



ARTICLE 13. Sanitary Facilities

The Contractor shall furnish and maintain satisfactory, sanitary facilities for the use of the workmen engaged in the construction, as required by law or regulations. Also, the Contractor shall maintain a record of the company sanitary services waste disposal in the event that it is required by environmental regulatory agencies.

ARTICLE 14. Access to Work

The Contractor shall permit all persons appointed or authorized by PREPA to visit and inspect the work, or any part thereof at all times, and places during the progress of it.

ARTICLE 15. Force Majeure

15.1 <u>Definition</u>

In this Contract, "Force Majeure Event" means any event or circumstance not within the reasonable control, directly or indirectly, of the Party affected ("Affected Party") resulting in or causing a total or partial failure by the Affected Party to fulfill any of its obligations under this Contract to the extent that:

- A. such circumstance, despite the exercise of reasonable diligence, cannot be or could not have been prevented, avoided or removed by the Affected Party;
- B. the Affected Party took, or has taken, all reasonable precautions, due care and reasonable alternative measures in order to (i) avoid the effect of such



event or circumstance on the Affected Party's ability to perform such obligation under this Contract, and (ii) mitigate the consequences thereof;

- C. such event or circumstance did not directly result from the breach by the Affected Party of any of its obligations under this Contract; and
- D. the Affected Party made reasonable efforts to inform the other Party ("Non-Affected Party") notice, no later than seven (7) days after the date of occurrence of such event or occurrence.

A Force Majeure Event may include events or circumstances of the kind listed below, so long as conditions (A) to (D) above apply:

- acts of war, invasion or act of foreign enemy, or acts of terrorism, acts of rebellion, riot, and civil commotion:
- 2. blockade, embargo, rationing, or strikes of a political nature;
- any public agitation which prevents construction or operation
 activities of the Project for a continuous period exceeding
 fourteen (14) days other than public agitation by the
 Contractor's personnel and other employees of the Contractor
 and Subcontractors,
- fire, explosion or flood, whether cause by natural calamity or otherwise, earthquake, lightning, storm, typhoon, tornado or other natural calamity;
- 5. epidemic or plague; and



 any act of sabotage, strikes or works to rule or go-slows (in each case other than by employees of the Affected Party).

Notwithstanding the foregoing, Force Majeure Event shall not include:

- bankruptcy of a Party or any of its subcontractors or suppliers at any tier;
- breakdown or defect of temporary works or the Contractor's equipment or any subcontractor's equipment, other than breakdown caused by a separate event of Force Majeure;
- any changes in prevailing market prices for goods, fuel or labor;
- any failure by a Party to obtain and/or maintain a permit or approval contemplated by the Contract;
- 5: strikes, lockouts, works to rule, go-slows and other industrial disturbances by employees of the Contractor or its Subcontractors or suppliers; or
- 6. any failure by PREPA to obtain and/or maintain appropriate financing for the Project.

15.2 <u>Notice</u>

If a Party reasonably believes that an event or circumstance qualifies as a Force Majeure Event, then it shall give notice thereof to the other Party and shall specify the obligations affected by such event or circumstance. The affected party shall make all



reasonable efforts to inform the second party, no later than seven (7) days after the event or circumstance. The Party shall, having given notice, be excused performance of such obligations for so long as such Force Majeure Event prevents it from performing them. Notwithstanding any other provision of this Article, a Force Majeure Event shall not form a basis to suspend the performance of obligations of either Party to make payments to the other Party under the Contract.

15.3 Duty to Minimize Delay

Each Party shall at all times use all reasonable efforts to minimize any delay in the performance of the Contract as a result of Force Majeure Event. A Party shall give Notice to the other Party when it ceases to be affected by the Force Majeure Event.

15.4 Consequences

The Affected Party shall be excused from performance and shall not be construed to be in default in respect of the Contract for so long as, and to the extent that, such failure to perform is due to a Force Majeure Event. To the extent that a Force Majeure Event affects PREPA, any period within which PREPA shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which PREPA was unable to perform such action as a result of such event. To the extent that a Force Majeure Event affects the Contractor, and the Contractor suffers delay, the Contractor shall be entitled to a Change Order with an extension of the Completion Date and to the extent that a Force Majeure Event affects the Scope, Schedule or Cost of the project; the



Contractor may present a Change Request with detailed evidence explaining the impact of the applicable Task Orders as a result of any such delay.

ARTICLE 16. Delays

- 16.1 In case of delay, the Contractor shall within ten (10) days from the beginning of any such delay notify the Engineer in writing of the causes of delay and any cost impacts, who shall ascertain the facts and the extent of the delay and equitably extend the time for completing the Work and notify the Engineer in writing of the causes of delay and its impact in the project scope, schedule and cost. The Engineer shall ascertain the facts and determine if there is reasonable justification to approve such an extension. The Engineer findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal by the Contractor as provided herein.
- 16.2 If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue the work, in which event shall continue to pay to PREPA the penalty in the amount set forth above for each calendar day of delay until the work is completed, and the Contractor and his sureties shall be liable for the amount thereof; provided that, the right of the Contractor to proceed shall not be terminated or the Contractor charged with a penalty because of any delays in the completion of the work due to Force Majeure events or situations, or failures on the part of PREPA to carry out its obligations.
- 16.3 PREPA shall have the right to the payment or to the withholding of Contractor's payments in case of Contractor's delay in completion of the work. The

Page 38 of 185

Contractor agrees that the penalty shall not be subject to reduction, moderation or modification, since this penalty is a pecuniary punishment for the delay, and not a liquidation of damages.

ARTICLE 17. Liabilities

17.1 Civil Responsibility

The Parties agree that their respective responsibilities for damages under this Contract shall be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico.

17.2 Indirect or Consequential Damages

The Contractor shall not be responsible for indirect or consequential damages that may occur in relation to the Work performed.

17.3 Protection Against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and sufficient precautions, safeguards, and protection against the occurrence of injuries, death and/or damages to any person or property during the progress of the Work. In the performance of its obligations under the Contract, the Contractor agrees to comply with all Applicable Laws. Notwithstanding the foregoing or anything to the contrary in this Contract, the Contractor shall not be responsible or liable for any injuries, death, or damages except to the extent Contractor causes such any injuries, death, or damages.



17.4 Indemnify and Hold Harmless Clause

Each Party (the "Responsible Party") shall indemnify and hold harmless other Party and its officers, directors, agents, and employees ("Indemnified Party") from and against all third party claims, losses, expenses, or costs of any nature (including reasonable attorneys' fees and costs) for personal injuries, including property damage or death, sustained by such third party, including the employees of the Contractor or PREPA, and for damages to third party property to the extent such third party injuries, death, or damages are caused by negligent or intentional acts or omission of the Responsible Party or its Subcontractors or affiliates.

17.5 PREPA's Equipment

If the Contractor chooses to use PREPA's equipment, then the Contractor shall be responsible for the condition, proper use, any damages or injuries arising from such use, and any cost associated with the repair or replacement of such equipment. If PREPA furnishes any material or equipment to be incorporated into the Work, the Contractor shall visually inspect all materials and equipment furnished by PREPA (if any) for use in the Work for damage, or insufficiency in quantity or kind for performance of the Work. If any such materials or equipment is damaged or insufficient in number or kind or is otherwise defective, the Contractor shall notify PREPA of any such damage, insufficiencies or defects therein before using materials and equipment provided by PREPA. Should the Contractor use such materials and equipment without notifying PREPA of any defect, the



Contractor shall be deemed to have assumed all risk and liability for such material or equipment.

The Contractor shall indemnify PREPA and hold it harmless from any third party claim, loss, expense, or liability imposed upon PREPA for any injury to a person, including death, or damage to any property to the extent resulting from the operation of PREPA's equipment by the Contractor.

17.6 Contractor's Liability

The overall aggregate liability of the Contractor with respect to any and all claims arising out of the performance or non-performance of the Contractor's obligations under the Contract, regardless of any legal theory or cause of action under which such liability may arise, shall not exceed one hundred percent (100%) of the Contract Ceiling (which includes Change Orders). However, the foregoing dollar limitation shall not apply to liability arising from third party claims for bodily injury or third-party property damage to the extent such liability results from the Contractor's fault or negligent acts or omissions while performing Work under the Contract.

ARTICLE 18. Independent the Contractor

The Contractor shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by the Contractor for the performance of its obligations herein, shall be considered as its employees or agents or those of its Subcontractors, and not as employees or agents of PREPA. In



consequence, the Contractor is not entitled to any labor benefits, including, but not limited to: vacations, sick leave, and others.

ARTICLE 19. Term and Termination

19.1 Contract Term

This Contract shall (i) enter into full force and effect on the date of this Contract, and (ii) unless extended by both Parties for an additional year or terminated earlier in accordance with its terms, expire on June 30, 2021 (the "Term"). Task Orders shall continue in effect until completion of the Work or termination by PREPA or the Contractor pursuant to the terms of the Task Order and this Contract.

19.2 Default

Without limitation to any of the provisions in Article 47 (Compliance with Applicable Federal Law, Regulations and Executive Orders), provided PREPA is not in default of its payment obligations under this Contract, the Contractor shall be in "Default" if, in the reasonable judgment of PREPA, the Contractor shall at any time: (i) fail or neglect to carry out the Work in accordance with this Contract or any Task Order in a diligent, efficient, workmanlike, skillful or safe manner; (ii) fail to commence or complete the Work in accordance with the provisions of this Contract, including any Task Order; (iii) abandon the Work under any Task Order except as otherwise permitted in this Contract; (iv) repudiate any of its obligations under this Contract or any Task Order; (v) fail to use an adequate amount or quality of personnel or construction equipment to perform the Work without delay; (vi) fall to maintain insurance required under this Contract; (vii) make Page 42 of 185

changes to key personnel in violation of this Contract; (viii) fail to submit or maintain the Performance Guarantee, or otherwise fail to comply with Article 20 (Insurance and Bonds); (ix) cause, by any action or omission, any material stoppage or delay of or interference with the work of PREPA or its other contractors or subcontractors except as otherwise permitted in this Contract; (x) commit willful misconduct; (xi) fail to make payments to Subcontractors for labor or materials owed in accordance with the respective Subcontracts to the extent the Contractor has received payment from PREPA for the Work performed by such Subcontractors; (xii) disregard Applicable Laws or applicable codes and standards; (xiii) materially fail to comply with any provision of this Contract or a Task Order; (xiv) become insolvent, or appoint a receiver, make a general assignment or filing for the benefit of creditors or file for bankruptcy protection; or (xv) commit any action or inaction identified as a Default under this Contract. Following the Contractor's receipt of PREPA's written notice to the Contractor specifying the nature of the Default, unless the Contractor cures such condition within the applicable Cure Period. PREPA, at its sole option and without prejudice to any other rights that it has under this Contract, at law or in equity and with prior written notice to the Contractor, may (1) take such steps as are necessary to overcome the Default condition, in which case the Contractor shall reimburse PREPA for any and all actual, documented, and reasonable costs and expenses (including all reasonable attorneys' fees, consultant fees and litigation expenses) incurred by PREPA in connection therewith, or (2) terminate for Default the Contractor's performance of all or any part of the Work under a Task Order,



or this Contract as a whole. The applicable "Cure Period" with respect to items (i) through (xiii) in the list of Defaults in this Article 19.2 (Default) shall be fourteen (14) days after receiving written notice from PREPA to commence and continuously pursue the correction or cure of any such Default, but if the Default cannot be cured with the exercise of reasonable diligence within such fourteen (14) day period, then the Cure Period shall be a total of twenty-eight (28) days after receipt of PREPA's written notice. There is no cure period for any other Default except as expressly stated in this Article 19.2 (Default). PREPA shall be in Default if PREPA at any time: (xvi) fails to make any payment under any Task Order when due and fails to cure such non-payment within ten (10) days of receipt of written notice from the Contractor or (xvii) fails to perform any of PREPA's other obligations under this Contract, and fails to cure such non-performance within thirty (30) days of receipt of written notice from the Contractor, or if such non-performance cannot be cured within thirty (30) days, then failure to begin cure. The Contractor shall have all rights and remedies provided herein, as well as the right to pursue any and all rights in law or equity, including but not limited to terminating this Contract.

19.3 Available Remedies

The foregoing right of termination shall be in addition to each Party's rights and remedies available at law, at equity or otherwise available under this Contract, and to be reimbursed for all actual, documented, and reasonable damages, losses, costs and expenses incurred by either Party arising out of or resulting from a Default by the other Party subject to Article 17.2 (Indirect or Consequential Damages).

1

Page 44 of 185

19.4 Contractor Obligations Upon Default Termination.

Upon termination for Default, the Contractor shall (i) immediately discontinue Work on the date and to the extent specified in the notice, (ii) place no further orders for Subcontracts, equipment, or any other items or services except as may be necessary for completion of such portion of the Work as is not discontinued, (iii) inventory, maintain, and turn over to PREPA all materials furnished by the Contractor and paid for by PREPA or other items provided by PREPA for performance of the terminated Work, (iv) promptly make every reasonable effort to procure assignment or cancellation upon terms satisfactory to PREPA of all Subcontracts, purchase orders, and rental agreements to the extent they relate to the performance of the Work that is discontinued; (v) cooperate with PREPA in the transfer of Work, including drawings, permits, licenses and any other items or information and disposition of Work in progress so as to mitigate damages; (vi) comply with other reasonable requests from PREPA regarding the terminated Work; and (vii) thereafter execute only that portion of the Work not terminated (if any) and that portion of the Work as may be necessary to preserve and protect Work already in progress and to protect equipment and materials at the Site or in transit thereto, and to not violate any Applicable Laws and any applicable codes and standards. In the event of PREPA's termination for Default, Contractor shall be entitled to recover from PREPA the payment for any Work performed by Contractor prior to its receipt of written notice of termination by PREPA, all costs and expenses incurred for demobilization, and any termination fees for facility/yard leases in Puerto Rico as calculated pursuant to Contractor's Proposal.



Page 45 of 185

19.5 Rights to Terminate for Convenience

Either Party shall have the right to terminate for convenience the performance of all or any part of the Work under a Task Order, or this Contract as a whole, by providing the other Party no less than ten (10) days prior written notice of termination. Upon termination for convenience by PREPA, the Contractor shall be paid (a) for all the Work performed (the basis of payment being based on the terms of this Contract) prior to date of termination, less that portion of the price under the applicable Task Order previously paid to the Contractor (including down payments, if any, made under any Task Order), plus (b) reasonable direct close-out costs submitted in accordance with this Article 19.5 (Right to Terminate for Convenience), mobilization, third party cancellation, and demobilization costs and fees as well as any termination fees for facility/yard leases in Puerto Rico but in no event shall the Contractor be entitled to receive any amount for unabsorbed overhead, contingency, risk, or anticipatory profit. The Contractor shall submit all reasonable direct close-out costs to PREPA for verification and audit within sixty (60) days after the effective date of termination.

ARTICLE 20. Insurance and Bonds

The Contractor shall secure and maintain in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by the Contract as follows: (Note to Contract Holder: this article is subject to change due to final project scope definition)

1

20.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. The Contractor shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents, and invitees, if any.

The Contractor shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.

20.2 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as a result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

20.3 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate. This Policy shall include a complete operations and products coverage.

1

20.4 Commercial Automobile Liability Insurance:

The Contractor shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned or scheduled autos, non-owned, and hired automobiles.

Requirements Under the Policies:

The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

A. For liabilities assumed by the Contractor under the indemnification provisions of this Contract, the Contractor's Commercial General Liability and Commercial Automobile Liability Insurance policies shall name the following as an additional insured:

Puerto Rico Electric Power Authority (PREPA) Risk Management Office PO Box 364267 San Juan, PR 00936-4267

- B. A thirty (30)-day cancellation or nonrenewable notice to be sent to the above address.
- C. An endorsement including this Contract under contractual liability coverage and identifying it by number, date and Parties to the Contract.



D. Waiver of Subrogation by the Contractor's insurer in favor of Puerto Rico Electric Power Authority (PREPA).

E. Breach of Warranties or Conditions:

The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA's rights under this policy or alternatively Separation of Insureds provisions are included in the Commercial General Liability Insurance and Commercial Automobile Liability Insurance.

Bonds:

As a Contract security, the Contractor shall furnish at the time of the execution of the Contract:

- A. A Performance Bond in the amount of one hundred percent (100%) of the Contract Ceiling, with good and sufficient surety satisfactory to PREPA guaranteeing that the Contractor will well and faithfully perform the contract work.
- B. A Payment Bond in the amount of one hundred percent (100%) of the Contract Ceiling, with good and sufficient surety satisfactory to PREPA to



guarantee the prompt payment of all labor, supervision, equipment and materials required in the performance of the work.

C. All bonds shall be issued in the official form of PREPA and shall include a Power of Attorney.

Furnishing of Policies:

ARTICLE 21. Indemnification

All required policies of insurance shall be issued only by insurance companies eligible to do business in Puerto Rico.

The Contractor shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.

The Contractor shall indemnify, defend and hold harmless PREPA, its agents and employees, from and against any and all claims, actions, suits, charges and judgments arising from, or related to, the negligence, fraud or willful misconduct of the Contractor in the performance of the services called for in this Contract. The failure of the Contractor to obtain, maintain, or pay for any insurance coverage necessary to insure its obligations under this Contract and/or the failure of Contractor's insurance carrier to provide insurance coverage shall not relieve Contractor of its indemnification obligations.

ARTICLE 22. Permits and Licenses

The Contractor shall obtain, maintain and submit evidence of all the licenses, permits and authorizations required to perform all Work, services and tasks under this

Page 50 of 185

Contract, and shall send all notices, pay all fees, and related costs and shall comply and shall have its Subcontractors and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with such licenses, permits and authorizations. The Contractor shall provide information, assistance and documentation to PREPA as reasonably requested in connection with the permits to be obtained by PREPA as specified in a Task Order (if any) related to the performance of the Work thereunder. Should the Contractor find any discrepancy between the drawings and specifications and the permits, laws, ordinances, rules, and regulations referred to herein, the Contractor shall proceed immediately to notify PREPA of the discrepancy and shall not continue with the work until PREPA issues and notifies an order informing the Contractor what changes are necessary and when to proceed with the work as changed.

Also, shall comply with all of the environmental permits, laws and regulations during the emergency restorations, which shall include any environmental impacts such as access roads, staging areas, deviations, etc. with all of the environmental agencies (OGPe, DRNA, EQB, FEMA, SHPO, USFWS, etc).

ARTICLE 23. Contingent Fees

The Contractor represents and warrants that it has not employed any person to solicit or secure this Contract upon any agreement for a commission percentage, brokerage or contingent fee. Breach of this warranty shall give PREPA the right to annul the Contract or, at its discretion to deduct from the amounts due under this Contract the amount of such commission, percentage, brokerage or contingent fees. This warranty



shall not apply to commissions payable by the Contractor upon contract or sales secured or made through bona fide established commercial or selling agencies.

ARTICLE 24. Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall cooperate with such other contractors and carefully fit its own work to that provided under other contracts as may be reasonably directed by the Contracting Officer. The Contractor shall not commit or permit any acts that interfere with the performance of work by any other contractor, and PREPA shall ensure other contractors do no commit or permit any acts that interfere with the performance of the Work by the Contractor.

ARTICLE 25. Officials not to Benefit

No officer, employee, or agent of PREPA, nor of the Government of the Commonwealth of Puerto Rico or Municipal Governments, shall be admitted to any share or part of this Contract or to any benefit that may arise there from.

In addition to the restrictions and limitations established under the provisions of "The Puerto Rico Government Ethics Act" Act No. 1-2012, as amended, retired or former officers or employees of PREPA, whose work was in any way related to the award or management of contracts, shall in no way benefit from any contract with PREPA for a period of two (2) years after leaving employment with or ceasing services to PREPA.

ARTICLE 26. Claims for Labor and Materials

The Contractor shall, at its own expense, assume the defense of and hold PREPA harmless from claims arising out of or in connection with the Contractor furnished labor

A

and materials, and PREPA shall not be affected by any mechanics or other liens that remain outstanding against any property, materials or equipment used in connection with the Work; and shall, on request, furnish satisfactory evidence that all persons who have done Work or furnished materials have been fully paid. If the Contractor fails to comply with its obligations in this respect, PREPA may take such liens or claims and may withhold from any monies due to the Contractor such amounts as may be necessary to satisfy and discharge any such liens and claims and any costs and expense incidental thereto.

ARTICLE 27. Unfair Labor Practice

In the event that the Contractor or any of its subcontractors or agents do not comply with an order issued by the Puerto Rico Labor Relations Board and/or the National Labor Relations Board upon a finding that the Contractor or any of its subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of the said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials on the job site and finish the work by whatever method it may deem reasonably necessary. Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the contractors or agents have not complied with an order issued by the Board relating to any unfair labor practice, shall be binding, final, and conclusive unless such order is reversed or set aside by a Court of competent jurisdiction.



ARTICLE 28. Patents and Copyrights

The Contractor, at its own expense, shall defend any suit or action brought against PREPA based on a claim that any equipment or part thereof, copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article, or appliance used in the performance of this Contract, including their use by PREPA, constitutes an infringement of any patents or copyrights of the United States, if notified promptly in writing by PREPA, and given the necessary authority, information, and assistance for the defense of the same by PREPA, and the Contractor shall reimburse PREPA for all damages and costs awarded therein against PREPA. If, in such suit, the equipment or any part thereof, or the composition, secret process, invention, article or appliance, is held to constitute infringement and its use is enjoined, the Contractor, at its option and expense, shall (i) procure for PREPA the right to continue using the same; (ii) replace it with non-infringing equipment, composition, secret process, invention, article or appliance, (iii) modify it so it becomes non-infringing; or (iv) remove it and refund the purchase price.

ARTICLE 29. Waivers

No waiver of any Default under this Contract shall be held to be a waiver of any other subsequent Default. All remedies afforded by PREPA in this Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law.



ARTICLE 30. Correction of Work after Final Payment

The Final Acceptance Certificate, payment or any provision in the Contract shall not relieve the Contractor from its responsibility for faulty Work in accordance with Article 37 (Warranty). PREPA shall give the Contractor written notice of any defects with in the Warranty Period. All questions arising under this Article shall be decided by the Engineer, in its reasonable judgment, subject to appeal by the Contractor as provided in Article 31 (Disputes).

ARTICLE 31. Disputes

Except as otherwise specifically provided in this Contract, all Disputes concerning questions of fact arising under this Contract shall be decided by the Engineer, in its reasonable judgment and in writing, subject to written appeal by the Contractor within thirty (30) days to the Executive Director/Chief Executive Officer. Within thirty (30) days after the issuance of the Engineer's written decision, the Executive Director/Chief Executive Officer shall inform each Party, in writing, of its decision regarding the Dispute. If any Party disagrees with the written decision, such Party may pursue its remedy at law or equity.

ARTICLE 32. Laws to be Observed

The Contractor shall observe and not violate any and all federal, state, commonwealth and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in the proposed rehabilitation, assembly, transportation and those employed in the performance of the Work, and shall observe

1

and not violate all such orders and decrees currently existing or as they may be enacted prior to the completion of the Work by agencies or courts having jurisdiction or authority over the Work. The Contractor shall indemnify and hold PREPA and its representatives, officers, agents and servants harmless from fines and penalties paid by PREPA, including reasonably attorney's fees, to Governmental Authorities to the extent resulting from the Contractor's violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its subsidiaries, affiliates and employees, subject to limits of liability in Article 17 (Liabilities).

ARTICLE 33. Change of Law

During the Term, any change in law or Applicable Laws, including, but not limited to changes in applicable tax law, which causes an increase in the Contractor's costs when performing the Work hereunder, shall be for the Contractor's account and responsibility and PREPA shall not be obliged to make any additional payments or pay additional sums to the Contractor for such reason. In the event any change in law or Applicable Laws cause an increase in the Contractor's costs, the Contractor may elect to terminate this Contract and/or any Task Order without penalty or any further obligation to PREPA with thirty (30) days written notice to PREPA and PREPA shall pay and compensate the Contractor for all Work performed through the date of termination, including bid preparation, mobilization, training, start-up, third party cancellation, and demobilization costs and expenses, without any waiver by the Contractor of any other rights or remedies it may have in law or in equity to protect its rights under this Contract.

1

ARTICLE 34. Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Subject to Article 31 (<u>Disputes</u>), each of the Parties agrees that any action instituted by it against the other regarding any dispute hereunder shall be instituted exclusively in the United States federal courts in the Commonwealth (or, if jurisdiction is not available in the United States federal courts in the Commonwealth, then exclusively in the local courts in the Commonwealth), and each Party consents and submits to personal jurisdiction in any action brought in the United States federal courts in the Commonwealth (or, if jurisdiction is not available in the United States federal courts in the Commonwealth, to personal jurisdiction in any action brought in the local courts in the Commonwealth) regarding any Dispute.

ARTICLE 35. Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding shall not affect the validity and effectiveness of the remaining provisions of the Contract and the Parties agree to comply with their respective obligations under such provisions not included by the judicial declaration.

ARTICLE 36. Discrimination

The Contractor certifies that it is an employer with equal opportunity employment, and do not discriminate by reason of race, color, religion, political ideas, sex, gender, sexual identity, nationality, age or mental or physical condition.



ARTICLE 37. Warranty

37.1 Contractor Warranties

The Contractor warrants that all materials, parts, equipment used, and Work performed under this Contract shall materially comply with its terms and conditions; that they are and shall be free from defects in design, materials and workmanship; , and that the Work performed under this Contract shall conform with the industry standards of skill, care, diligence and practice appropriate to its nature.

37.2 Warranty Period

Unless otherwise set forth in a Task Order, the warranty period for Work performed under this Contract shall begin on the date of Substantial Completion and shall continue for a period of six (6) months (the "Warranty Period"). The Contractor shall, upon written notice by PREPA, and free of expense to PREPA, remedy and correct defects in the Work or materials, parts, or equipment incorporated in the Work, provided that they have been properly stored, installed, maintained, and operated within the specified parameters during the Warranty Period. The Contractor shall not be held responsible for and shall not have to replace, repair, remedy, or correct defects caused by lack of maintenance, unintended use, misuse, abuse, improper or unsuitable installation, external accidents, or other causes beyond the reasonable control of the Contractor. If, within the Warranty Period, PREPA discovers and does not promptly notify the Contractor or give the Contractor an opportunity to test or correct defective or nonconforming Work, PREPA waives the Contractor's obligation to replace, repair, remedy, or correct that defective



or nonconforming Work as well as PREPA's right to claim a breach of the warranty with respect to that defective or nonconforming Work. Following the expiration of the Warranty Period, PREPA expressly waives and releases the Contractor from all claims relating to defects or deficiencies in the Work, or otherwise relating to the performance or sufficiency of the Work, whether arising in contract, warranty, tort (including negligence), strict liability, equity or otherwise. The warranties set forth in this Contract are exclusive and in lieu of all other warranties, express or implied, including warranties for performance, merchantability, fitness for a particular purpose or otherwise, which are expressly disclaimed. There are no other warranties, agreements, oral or written, or understandings which extend beyond those set forth in this Contract.

37.3 <u>Defective or Deficient Materials, Parts or Equipment</u>

For those materials, parts, or equipment, which are or become defective or deficient during the Warranty Period, the Contractor shall, at his own expense, repair or replace, transport-in, from Contractor's facilities to PREPA's site, and transport-out, from PREPA's site to the Contractor's facilities, such materials, parts, and/or equipment. The Performance Guarantee shall cover and serve as guarantee for the Contractor's failure, in whole or in part, to properly perform its obligations under this Contract.

37.4 Parts and Equipment Procured From Other Suppliers

For parts and equipment to be procured by the Contractor from other suppliers, and which shall be furnished by the Contractor to PREPA under this Contract, a written



warranty shall be obtained by the Contractor from each supplier and legally assigned to PREPA prior to the commencement of.

ARTICLE 38. Correlation of Documents

The documents that constitute the Contract are complementary and what is required by one shall be as binding as if required by all. The Contractor shall keep in the work site a copy of all documents constituting the Contract relating to the work and any supplementary documents, specifications and drawings relating thereto and shall give PREPA access thereto during all normal working hours. In case of discrepancy or in the event of conflict among the documents constituting the Contract, the documents shall control in the following order: this Contract, Special Conditions, Technical Specifications, Drawings, Addenda to Request for Proposals, Request for Proposals, Contractor's Proposal, Performance and Payment Bonds, and Letter of Award.

The terms and conditions contained in this Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Bidding Proposal.

ARTICLE 39. Income Tax Withholding

PREPA will deduct and withhold at source to the Contractor the equivalent of ten percent (10%) from payment for Work performed under this Contract, in compliance with the Internal Revenue Code for a New Puerto Rico, Act No. 1-2011, as amended, section 1062.03. Notwithstanding, the withholding to be done by PREPA as herein stated could be increased to twenty percent (20%) in the event that the Contractor is a non-resident individual, which is a U.S. citizen, as provided by Act No. 1-2011, section 1062.08; or

Page 60 of 185

Master Service Agreement for Emergency Services Category I

MasTec Renewables Puerto Rico, LLC

twenty-nine percent (29%) in the event that the Contractor is a non-resident and non U.S.

citizen individual; or a foreign corporation or partnership which is not dedicated to industry

or business in Puerto Rico, as provided by Act No. 1-2011, section 1062.08.

If a Release Letter has been issued to the Contractor by the Treasury Department

or the Contractor is exempt from the withholding at source by any other provisions of

the Internal Revenue Code for a New Puerto Rico, the Contractor shall be responsible to

submit a copy of said Release Letter or any documentation required by the law to claim

such exemption to PREPA for every calendar year, otherwise, payments under the

Contract shall remain subject to withholding at source. All invoices shall be segregated

by concepts (services, materials, equipment, etc.), to identify the amounts subject to

withholding and avoid undue deductions.

ARTICLE 40. Notice

All notices and other communications hereunder shall be in writing and shall be

deemed given when delivered personally or sent, postage prepaid, by registered,

certified or express mail (return receipt requested) or reputable overnight courier service

and shall be deemed given when so delivered or refused by the Parties at the following

addresses:

To PREPA: Puerto Rico Electric Power Authority

PO Box 364267

San Juan, Puerto Rico 00936-4267

Attention: Efran Paredes Maisonet

Page 61 of 185

To the Contractor: MasTec Renewables Puerto Rico, LLC Chartris Building 250 Muñoz Rivera Avenue Suite 1400

Hato Rey, Puerto Rico 00936-4267

Attention: John Audi

With a copy to:
MasTec, Inc.
800 Douglas Road, 12 th Floor,
Coral Gables, Florida 33134
Attention: Legal Department

ARTICLE 41. Quality Assurance

41.1 Quality Control Program

The Contractor shall establish an adequate quality control program adequate to satisfy all applicable regulation and requirements specified in the procurement documents. The program shall contain all those measures necessary to ensure that all basic technical requisites are fulfilled.

41.2 Audits and Inspections

PREPA reserves the right to conduct audits and inspections of the facilities, activities, and/or documents (limited to inspection and quality control documents) when estimated and without previous notification necessary in order to ensure that the quality control program is adequate and is being properly implemented. The Contractor shall allow PREPA to access its facilities and documents (limited to inspection and quality control documents), so that PREPA, through audits and inspections can verify the quality of the Work. The Contractor agrees to provide the FEMA and HUD Administrators or their authorized representatives access to the Sites pertaining to the Work.



41.3 Subcontractor Compliance

In every case in which the materials or services to be furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall ensure that each Subcontractor accepts and complies with all the requirements of this Article 41 (Quality Assurance).

ARTICLE 42. Safety Provisions

42.1 General

The Contractor shall have an occupational safety and health program (the "Program") as established in this Article 42. A copy of this Program shall be delivered to the Occupational Safety Division. The Program shall comply with the following minimum requirements of a health and safety program:

- A. It shall comply with all requirements of Applicable Laws included in the 29 C.F.R. 1900.1. The Program shall have been updated within the year prior to the Final Acceptance Certificate.
- B. It shall establish the mechanisms used to update and audit compliance with the Program.
- C. It shall include an accident or incident investigation procedure. This procedure shall always include the preparation of a report, which shall be submitted to the Occupational Safety Division of PREPA.



42.2 Site-Specific Work Plan

The Contractor shall submit, for evaluation by the Occupational Safety Division and to PREPA's Environmental Protection and Quality Assurance Division, a copy of a Site-Specific Work Plan. This plan shall include, but not be limited to, the following aspects:

- A. Objectives of the Site-Specific Work Plan
- B. Description of the activities to be performed
- C. Occupational safety and health considerations to be addressed before commencement of the Work.
- D. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
 - 1. Occupational Exposure to Lead (29 C.F.R. 1926.62)
 - 2. Scaffolds (29 C.F.R. 1926 Subpart L)
 - 3. Confined Spaces (29 C.F.R. 1910.146)
 - 4. Occupational Exposure to Noise (29 C.F.R. 1910.95)
 - 5. Hazardous Materials (29 C.F.R. 1910 Subpart H)
 - 6. Personal Protective Equipment (29 C.F.R. Subpart I)
 - 7. Hazard Communication (29 C.F.R. 1910.1200)
 - 8. HAZWOPER (29 C.F.R. 1910.120)
 - 9. Fire Protection (29 C.F.R. 1910 Subpart L)
 - 10. Materials Handling and Storage (29 C.F.R. 1910 Subpart N)

1

- 11. Commercial Diving (29 C.F.R. 1910 Subpart T)
- 12. Respiratory Protection (29 C.F.R. 1910.134)
- 13. Fall Protection (29 C.F.R. 1926 Subpart M)
- 14. Electrical (29 C.F.R. 1926 Subpart K)
- 15. Welding (29 C.F.R. 1926 Subpart J)
- 16. Excavations (29 C.F.R. 1926 Subpart P)
- 17. Demolitions (29 C.F.R. 1926 Subpart T)
- 18. Blasting & Explosives (29 C.F.R. 1926 Subpart U)
- 19. Ventilation (29 C.F.R. 1926.57)
- 20. Tools, Hand and Powered (1926 Subpart I)
- 21. Electric industry (29 C.F.R. 1910.269)
- 22. Lockout Tagout (29 C.F.R. 1910.147)
- 23. Asbestos (29 C.F.R. 1910.1001)
- E. Any other regulations or guidelines related to safety and health that could be applicable to the scope of Work, and contingency procedures that include how to proceed in an emergency situation, such as fire or chemical spill, among others,
- F. A list of all specialized personnel needed. Also, a copy of all training certificates, licenses or certifications required, according to the scope of Work. For example: pesticides applicator, electrician, spill responder, refrigeration technician,



DOT training for Hazardous Substances, etc. All these certificates and licenses shall be up to date and send it via safety@prepa.com.

- G. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, shall be evaluated and approved by the Hazard Communication Section of the Occupational Safety Division of PREPA.
- H. Evidence of compliance with medical surveillance requirements, according to scope of Work.
- I. Evidence of compliance with Fit Test requirements for the use of respirators that make a face seal.
 - J. A list of annual training for the use of personal protective equipment.
- K. A list of safety equipment and materials to be used during the performance of the Work.
- L. Procedures to verify the Site after each workday and at the completion of the Work.
- M. The Contractor and Subcontractor shall adhere to a one hundred percent (100%) drug / alcohol free work zone. At minimum, pre-commencement of Work and post-accident testing is required. A positive post-accident test or positive pre-commencement of Work test shall result in worker dismissal from the Work. Testing shall be performed following the SAMHSA standards (Substance Abuse and Mental Health Services Administration).



N. Certification of compliance for general workers ten (10) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry or general industry. Also, to the managers levels and safety officer present certification of compliance thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry or general industry.

42.3 Coordination Meeting

Before commencement of Work under a Task Order, the Contractor, Construction Manager, Safety Officer and the Environmental Officer shall take part in a coordination meeting with PREPA's safety officer, Environmental Compliance Officer and Engineer. During this meeting the areas to be worked on shall be toured, the Site-Specific Work Plan shall be discussed and reviewed, and amendments to it could be required.

42.4 Certification for Demolition Activities

If the Work includes demolition activities (as defined per ANSI A1O.6 —1990: Demolition - the dismantling, razing or wrecking of any fixed building or structure or any part thereof) that shall be carried out in buildings or structures, which because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other Hazardous Substances, the Contractor shall require a certification from the Engineer stating that the building or structure is free of such materials.



42.5 Hazardous Work

The Work including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, shall be performed after PREPA's working hours. The Contractor shall take all steps necessary to ensure the area shall be free of nuisance odors or vapors before PREPA personnel is to reoccupy. All this shall be done in coordination with PREPA's relevant local supervisor.

42.6 Waste

The Contractor shall ensure that all wastes are characterized before they are removed and properly disposed of, in accordance with all Applicable Laws after completion of Work, at the end of every work shift and after the completion of the Work under all Task Orders hereunder.

42.7 Chemical Products

All chemical products to be used shall be evaluated and approved by the Hazard Communication Section of the Safety Division of PREPA and shall be classified as "Approved" or "Conditionally Approved."

42.8 Welding Operations

Welding operations shall comply with the requirements of OSHA, ANSI and NFPA.

42.9 Dust Generating Materials

If the project involves the handling of non-asbestos insulation or other dust generating materials, like gypsum board, steps shall be taken to prevent the release of the dust to adjacent areas.



42.10 Reasonable Precautions

The Contractor shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to all employees performing the Work and all other persons who may be affected. This includes the Work, property, material and equipment on or off the Site, under the care, custody or control of the Contractor or any of its Subcontractors.

42.11 Applicable Laws and Lawful Orders

The Contractor shall comply with all Applicable Laws and lawful orders of any public authority having jurisdiction for the safety of persons or property or to protect them from damage, injury or loss. The Contractor shall erect and maintain, as required by existing conditions and progress of the Work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities.

42.12 Safety Officer

The Contractor shall designate a Safety Officer at the Site whose duty shall be the prevention of accidents and the implementation of the Program and the Site-Specific Work Plan approved by PREPA's Safety Division. The Contractor shall present evidence that their Safety Officer has an effective training of thirty (30) hours in Occupational Safety and Health Standards for the Construction Industry from an approved OSHA Training Center.



Page 69 of 185

42.13 Contractor Responsibility

Compliance with all safety provisions by Subcontractors shall be the responsibility of the Contractor.

42.14 Compliance with Regulations

The Contractor agrees that it shall perform all Work in compliance with federal, state and local occupational safety and health regulations, as described in the Site-Specific Work Plan.

42.15 Permits

The Contractor shall obtain and maintain, during the Work, the proper permits from all federal, state, commonwealth and local regulatory authorities or other applicable Governmental Authority with respect to discharge, disposal, use, storage, handling and transportation of Hazardous Substances as and when required by Applicable Laws. For projects including the handling of asbestos, lead, or spilled hazardous substances, the notification to EPA or the EQB will be done by the Contractor, but in coordination with the Safety Officer and the Environmental Advisor or Officer.

Also, shall comply with all of the environmental permits, laws and regulations during the emergency restorations, which shall include any environmental impacts such as access roads, staging areas, deviations, etc. with all of the environmental agencies (OGPe, DRNA, EQB, FEMA, SHPO, USFWS, etc).



42.16 Hazardous Substances

The Contractor shall not cause or permit any Hazardous Substances that the Contractor brings to the Site or product containing a Hazardous Substances that the Contractor brings to the Site to be at, or in the vicinity of, any place where any employee, agent, or the Contractor of PREPA, or employee of any such agent or the Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

42.17 Indemnity for Noncompliance

The Contractor shall indemnify and hold, PREPA and its employees, agents or assignees harmless from any and all liabilities and expenses to the extent directly arising out of the material noncompliance of the Contractor or any Subcontractor (or any of either of their employees, agents or assignees) with these provisions if applicable to the Contractor or the Work. Notwithstanding the foregoing or anything to the contrary contained in this Contract or any Task Order, in no event shall the Contractor be responsible or liable for any pre-existing Hazardous Substances, any Hazardous Substances encountered at the Site of the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor. Except to the extent set forth in Article 42.16 (Hazardous Substances), to the fullest extent permitted by law, PREPA shall indemnify and hold harmless the Contractor and its agents, officers, and employees from and against claims, damages, losses, and expenses (including but not limited to judgments, the cost of remediation of a pre-existing Hazardous



Substances, fines, penalties, civil sanctions, and reasonable attorneys' fees) arising out of or resulting from any pre-existing Hazardous Substance, any Hazardous Substances encountered on the Site by the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor.

42.18 Right to Terminate

PREPA shall have the right to terminate this Contract upon the Contractor's nonobservance of any of the foregoing or for any failure to comply with any of the safety provisions of this Contract upon thirty (30) days of a written notice to the Contractor.

ARTICLE 43. Environmental Conditions

43.1 <u>Indemnity for Environmental Violations</u>

The Contractor agrees to indemnify PREPA for all expenses and costs to the extent arising out of any claim for an environmental violation to the extent caused by Contractor or its agents, employees, Subcontractors or assigns during the performance or non-performance of its obligations under the Contract. PREPA agrees to indemnify the Contractor for all expenses and costs to the extent arising out of any claim for an environmental violation to the extent caused by PREPA or its agents, employees, contractors, or assigns.

43.2 Spills

The Contractor shall have available, and close to the Site, the necessary equipment to control, pick-up and clean up any spills of the Hazardous Substances the



Contractor brings to or onto the Site that could occur during the Contractor's performance of the Work. The equipment should include all the necessary materials for waste disposal of any waste generated by the Contractor during the Contractor's performance of the Work; provided, however, the Contractor shall not be responsible for disposing or liable for the disposal of any waste resulting from any pre-existing Hazardous Substances, any Hazardous Substances encountered at the Site by the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor.

43.3 Leakage with Equipment

All equipment to be used at the Site should be free of oil, transmission fluid or hydraulic fluid leakages. If the equipment develops a leakage during the performance of the Work, it should be repaired or replaced immediately. While the equipment leakage is removed from the Work area or it is repaired, it is the Contractor's responsibility to replace cloth or absorbent material and drip pans and dispose of the contaminated materials in accordance with the applicable laws and regulations.

43.4 Coordination with PREPA's Environmental Compliance Officer

The Contractor shall inform and coordinate with PREPA's Environmental Compliance Officer regarding any work to be performed to avoid any environmental violation. In case of any incident, the contractor shall, immediately, notify PREPA's on site Supervisor and the Environmental Compliance Officer.



43.5 Compliance with Consent Decree

The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the EPA.

43.6 <u>Disposal of Waste</u>

The Contractor shall dispose of all waste generated by the Contractor in its performance of the Work and not violate any applicable local and federal, Applicable Laws and regulations, including environmental regulations; provided, however, the Contractor shall not be responsible for disposing or liable for the disposal of any waste resulting from any pre-existing Hazardous Substances, any Hazardous Substances encountered at the Site by the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor. The disposal of non-hazardous and hazardous waste material shall be done in a Puerto Rico Environmental Quality Board (PREQB) approved landfill. The use of PREPA's waste disposal equipment is not permitted.

43.7 Chemical Classification

All chemical products to be used shall be classified as "Approved" or "Conditionally Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises. Chemical products shall not reach any internal or external sewer of the construction site in order to prevent contamination and comply with all federal and local regulations related with the Clean Water Act.



43.8 Contractor Obligation upon Completion of the Work

The Contractor, upon completion of the Work, shall leave the Site clean, organized, and free of any contaminants and Hazardous Substances that the Contractor brought to or onto the Site, as evidenced by laboratory analysis performed before and after the Work. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.

43.9 Chemical Analysis

All chemical analysis shall be performed by an approved laboratory and shall be included in PREPA's Materials Management Division Supplier's Register as companies that are properly qualified and evaluated to perform this type of Work.

43.10 Compliance with DOT's Hazardous Materials Transportation Act

The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation Act, 49 C.F.R. 172 Sub. Part H (DOT).

43.11 Preapproval from PREPA

All remedial actions and environmental work shall be performed by a company previously approved by PREPA.

43.12 Control Erosion and Sedimentation Plan

The Contractor shall prepare and follow the Control Erosion and Sedimentation Plan (CES Plan), previously submitted to PREPA's Environmental Protection and Quality Assurance Division (EPQAD). The temporary measures needed to control erosion and water pollution shall include, but not be limited to, berms, dikes, dams, sediment basins, Page 75 of 185

fiber mats, netting, gravel, mulches, grasses, slope drains, and other erosion control devices or methods. These temporary measures shall be installed at the locations where there is a need to control erosion and water pollution during the construction of the project, and as directed by the Engineer, and as shown on the drawings. The CES Plan presented in the drawings serves as a minimum for the requirements of erosion control during construction. The Contractor has the ultimate responsibility for providing adequate erosion control and water quality throughout the duration of the project. Therefore, if the provided plan is not working sufficiently to protect the project areas, then the Contractor shall provide additional measures as required to obtain the required protection.

43.13 Best Management Practice Plan

All Work shall be performed in accordance with the Best Management Practice Plan (BMPP), which is part of the special conditions of the NPDES Permit.

All Work shall be performed in accordance with the U.S. Fish and Wildlife Service-Endangered Species Act Emergency Section Consultation Best Management Practices (BMPs) for Federally Listed Species in Relation to PREPA's Transmission and Distribution Lines Restoration Project in Puerto Rico.

43.14 NPDES Permit

Any chemical product should not reach any internal or external waste stream or outfall of the relevant facilities in order to prevent contamination and to comply with the NPDES Permit and all federal and local regulations related to the Clean Water Act.



43.15 Environmental Protection Measures

The Contractor must provide and maintain environmental protection measures during the commencement, construction, and completion of the project, as defined under this Contract. Environmental protection measures must be provided by the Contractor to correct conditions that may emerge or develop during the construction, as well as, the recondition of all environmental measures or controls employed at the project which does not fulfill their purpose.

43.16 Reduction of Adverse Impacts

The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to a minimum and acceptable level in the fulfillment to PREPA's Environmental Compliance Officers.

43.17 Preservation of Natural Resources

It is intended that the natural resources within the project boundaries and outside the limits of the permanent work performed, be preserved in their existing condition or be restored to an equivalent or improved condition, upon completion of the work. The Contractor shall confine his construction activities to areas defined by the work schedule, plans, and specifications. Furthermore, the Contractor will take immediate response or mitigate any environmental concern and deficiencies found by PREPA personnel or regulatory agencies. The contractor will be responsible to notify immediately to PREPA's

Page 77 of 185

EPQAD for any finding or environmental violations due to inspections by regulatory agencies.

43.18 Orientation Program

The Contractor along with the Engineer will establish, at least on a monthly basis, an orientation program for the residents and business people to clarify details and working schedule of the project, also to attend their needs or complaints. This orientation shall include the U.S. Fish and Wildlife Service-Endangered Species Act Emergency Section Consultation Best Management Practices (BMPs) for Federally Listed Species in Relation to PREPA's Transmission and Distribution Lines Restoration Project in Puerto Rico.

43.19 Maintenance Program

All equipment to be used for the Work should be in working condition and reasonably maintained. A monthly record of maintenance should be filed by the Contractor and submitted to PREPA's EPQAD. If required, the Contractor must perform and submit a monitoring study of gas emission or noise reduction on determined areas to comply with regulations. Also, the Contractor will be responsible to maintain its operation center and project area clean and organized.

43.20 Truck Liners

The use of liners to cover up carrying trucks is compulsory.

1

Page 78 of 185

43.21 Waste Clean-Up

The Contractor shall dispose of all waste generated by the Contractor during the Contractor's performance of the Work; provided, however, the Contractor shall not be responsible for disposing or liable for the disposal of any waste resulting from any pre-existing Hazardous Substances, any Hazardous Substances encountered at the Site by the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor. The waste shall be picked up and placed in containers which area must be emptied on a regular schedule. The Site shall be clean upon completion. The use of PREPA's waste disposal equipment by the Contractor is not permitted.

43.22 Clean Work Areas

All areas must be clean and organized to prevent accidents or violations to regulations.

43.23 Safety Barriers

Safety barriers must be installed at the edges of the project to avoid access from
non-authorized individuals at the project site.



Page 79 of 185

43.24 Temporary Storage Areas

Temporary storage areas of construction and disposal materials shall be protected with dikes. In the absence of dikes, the Contractor shall prepare temporary areas with dikes to avoid materials exposure.

43.25 Rainfall Exposure

All the construction and disposal materials shall be covered to avoid rainfall exposure during the Work activities.

43.26 Chemical Inventory

The Contractor shall keep a chemical inventory for products with ingredients regulated by the EPA's Toxic Release Inventory (SARA title III, 313). The Contractor should do a quantity report for all the material used and disposed of in the performance of the Work. This inventory shall include a copy of all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This inventory should be submitted to PREPA's environmental compliance supervisor and to the EPQAD.

43.27 Air Permits

The Contractor shall be responsible to obtain the required air permits for the control of fugitive emissions that may be caused by the performance of the Work.

43.28 Deviations, Staging Areas and Access Roads

The Contractor with PREPA's personnel shall gather the information needed to perform any Deviations, Staging Areas and/or Access Roads (existing or new) in order to



comply with the Environmental Planning and Historical Preservation (EHP) under FEMA.

This information will be sent to PREPA's EPQAD.

ARTICLE 44. Subcontracting and Assignment

44.1 No Subcontracting without Consent

The Contractor shall not subcontract its obligations under this Contract, including any Task Order, without PREPA's previous written authorization for such actions, which authorization shall not be unreasonably withheld, delayed, or conditioned; provided that no Subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Contractor delivers PREPA a copy of the Subcontract, not less than thirty (30) days prior to the effective date of the proposed Subcontract; (2) the Subcontract includes, as a condition for its legal validity and enforceability, a provision whereby PREPA has the right to substitute, subrogate or assume the Contractor's rights under the Subcontract, in the event that PREPA declares the Contractor in breach or default of any of the Contract terms and conditions; and (3) the Subcontract includes, as a condition for its validity and enforceability, a provision establishing that the Subcontractor must comply with all of the Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which are exclusively related with works or services not included under the Subcontract. A request for the execution of a subcontract shall specify the issues or matters that shall be referred to the Subcontractor. These services shall be paid pursuant to the fixed amount rates and payment terms stated in the relevant Task Order.



44.2 No Assignment without Consent

Any assignment of any rights or duties under this Contract, by either Party, shall require the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed, or conditioned. If the Contractor decides to assign the right to collect due or payable funds, to which it is entitled for Work performed during the Term to any third party, the provisions in Article 45 (<u>Transfer of Funds</u>) shall apply.

44.3 Acknowledgement of PREPA's Right to Transfer

The Parties acknowledge that PREPA is undergoing a transformation process, and therefore, both Parties agree that after the front-end transition period of a Partnership Contract, Sale Contract, or any other PREPA Transaction (as these terms are defined in Act 120-2018), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise dispose (each, a "Transfer") any of its rights, title, or interest in this Agreement as permitted by applicable law and at any time, without Contractor's consent, and without cost, expense, or incremental liability to PREPA, to any future operator of Puerto Rico's electric power transmission and distribution system or any of its affiliates, or to any governmental agency, body, public corporation or municipality of Puerto Rico; provided, that PREPA shall notify Contractor no later than thirty (30) days before the effective date of any such Transfer.





ARTICLE 45. Transfer of Funds

45.1 Notification of Transfer

If the Contractor decides to assign or transfer an amount, due or payable, to which it is entitled for Work performed during the Term, the Contractor shall notify PREPA of such transfer of funds, in accordance to the provisions of Act 21-2012. Said notice shall clearly indicate the rights granted, including a copy of the contract under which the assignment or transfer of funds is made, the exact amount of funds to be assigned or transferred, and specific identification information regarding the assignee (full name of the person or company), address and any other contact information.

45.2 Acknowledgement of Set-off

The Contractor acknowledges and agrees that PREPA may, in its reasonable discretion and with prior written notice to the Contractor explaining the reasons therefor, set off and deduct any amount, due or payable under this Contract by the Contractor from amounts due and payable by PREPA to the Contractor. PREPA may retain any such amount if the Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the Work under this Contract. The Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds shall cease upon payment of any and all outstanding amounts by PREPA under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which the Contractor is entitled to under the relevant Task Order (as modified by any Change Order) or this Contract.

Page 83 of 185

45.3 Administrative Costs

The Contractor shall include with its notice of assignment of funds a cashier's check or money order for two hundred dollars (\$200), payable to "Puerto Rico Electric Power Authority," to cover administrative costs in processing such assignment.

ARTICLE 46. Compliance with the Commonwealth of Puerto Rico Contracting Requirements

The Contractor shall comply with all Applicable Law that regulate the contracting process and requirements of the Commonwealth of Puerto Rico.

46.1 Filing of Puerto Rico Income Tax Returns

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Contractor hereby certifies that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. As evidence thereof, Contractor has delivered to PREPA an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that the Contractor has filed his Income Tax Return for the last five (5) tax years (Form SC 6088). The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Subcontractor whose service the Contractor has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

46.2 Payment of Puerto Rico Income Taxes

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Contractor, hereby certifies that it has complied and is current with the payment of all Page 84 of 185

income taxes that are, or were due, to the Government of Puerto Rico. As evidence thereof, the Contractor has delivered to PREPA a certification issued by the Treasury Department of Puerto Rico indicating that Contractor does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms (Form SC 6096). During the Term, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each Subcontractor whose service the Contractor has secured in connection with the Work and shall forward evidence to PREPA as to its compliance with this requirement.

46.3 <u>Compliance with Requirements of the Department of Labor and Human</u>
Resources of the Commonwealth of Puerto Rico

Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. As evidence thereof, the Contractor has delivered to PREPA:

A. A certification issued by the Bureau of Employment Security

(Negociado de Seguridad de Empleo) of the Puerto Rico Department of Labor and



Human Resources certifying that the Contractor does not owe taxes regarding Unemployment or Disability Insurance.

B. A certification issued by the Program for Social Security for Chauffeurs and Other Employees of the Puerto Rico Department of Labor and Human Resources certifying that the Contractor has no debt with respect to such program.

46.4 Real and Personal Property Taxes

Contractor hereby certifies and guarantees that it does not have any current debt regarding property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Contractor shall provide:

A. A certification issued by the Municipal Revenues Collection Center ("MRCC"), assuring that the Contractor does not owe any tax accruing during the last five (5) years to such governmental agency with respect to personal property; or negative Debt certification issued by the MRCC with respect to personal property taxes and a sworn statement executed by the Contractor indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (5) years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the first of January

1

of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.

B. All Concepts Debt Certification issued by the MRCC assuring that the Contractor does not owe any taxes to such governmental agency with respect to real and personal property; or negative certification issued by the MRCC with respect to real property taxes.

46.5 Sales and Use Taxes

The Contractor has delivered to PREPA:

- A. A Certification issued by the Puerto Rico Treasury Department indicating that the Contractor does not owe Puerto Rico Sales and Use taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.
- B. A Puerto Rico Sales and Use Tax Filing Certificate issued by the Treasury Department of Puerto Rico assuring that the Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
- C. A copy of the Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.



46.6 Puerto Rico Child Support Administration (ASUME)

The Contractor hereby certifies that it is not duty bound to pay child support, or if so, that the Contractor is up to date or has a payment plan to such effects. As evidence thereof, the Contractor has delivered to PREPA a certification issued by the Puerto Rico Child Support Administration (Administración Para El Sustento de Menores (ASUME) certifying that the Contractor does not have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME.

46.7 Organization Documents

The Contractor shall provide:

- A. A Good Standing Certificate issued by the Department of State of Puerto Rico.
- B. A Certification of Incorporation, or Certification of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.

46.8 Compliance with Act No. 1 of Governmental Ethics

The Contractor will certify compliance with Act No. 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his or her immediate family (spouse, dependent children, or other members of his or her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as

Page 88 of 185

may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seq.

46.9 <u>Law 168-2000: Law for the Strengthening of the Family Support and</u>
Livelihood of Elderly People

The Contractor will certify that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act No. 168-2000, as amended, the same is current and in all aspects in compliance. Act No. 168-2000, "Law for the Strengthening of the Family Support and Livelihood of Elderly People," in Spanish: "Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada," 3 L.P.R.A. §8611 et seq.

46.10 <u>Law Num. 127, May 31. 2004: Contract Registration in the Comptroller's</u>

Office of Puerto Rico Act

Payment for Work under this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.

46.11 Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615(c))

No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family



unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

46.12 <u>Prohibition with respect to contracting with officers or employees: (3</u> L.P.R.A. 8615(d))

No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.

46.13 <u>Prohibition with respect to contracts with officers and employees of other</u>

Government entities: (3 L.P.R.A. 8615(e))

No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.

46.14 <u>Prohibition with respect to evaluation and approval by public officers: (3</u> <u>L.P.R.A. 8615(f))</u>

No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has



had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

46.15 <u>Prohibition with respect to execution by public officers of contracts with</u>

former public officers: (3 L.P.R.A. 8615(h))

No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.

46.16 Dispensation

Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.

46.17 Rules of Professional Ethics

The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his or her profession and assumes responsibility for his or her own actions.

46.18 Anti-Corruption Code for a New Puerto Rico

- A. The Contractor agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico.
- B. The Contractor hereby certifies that it does not represent particular interests in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.



- C. The Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.
- D. The Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3, or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.
- E. PREPA shall have the right to terminate the Contract in the event the Contractor is convicted in Puerto Rico or United States Federal court under Articles 4.2, 4.3, or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250



through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

46.19 Provisions Required under Act 14-2004:

The Contractor agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available.

46.20 Act 42-2018 "Act of Preference for Contractors and Local Construction Suppliers"

The Contractor agrees to comply with Act 42- 2018, that established as a public policy of the Government of Puerto Rico that, regarding the purchase and contracting of Construction Services, at least twenty percent (20%) of said purchases and contracts will be rendered by a Business or Local Provider of Construction Services.

46.21 Interagency Services Clause

Pursuant to Memorandum No. 2021-003, Circular Letter 001-2021, of the Office of the Governor of Puerto Rico (*Oficina del Gobernador de Puerto Rico*) and the Office of Management and Budget (*Oficina de Gerencia y Presupuesto de Puerto Rico - OGP*),

Page 93 of 185

both Parties acknowledge and agree that the contracted services herein may be provided to any entity of the Executive Branch which enters into an interagency agreement with the contracting entity (PREPA)- or by direct provision of the Office of the Chief of Staff of the Governor of Puerto Rico (Secretaría de la Gobernación). These services will be performed under the same terms and conditions regarding hours of work and compensation set forth in this Contract.

46.22 Termination Clause

The Chief of Staff has the authority to terminate this Contract at any time.

46.23 Consequences of Non-Compliance

A. The Contractor expressly agrees that the conditions outlined throughout this Article are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PREPA to terminate the Contract, and the Contractor shall be paid by PREPA for all Work performed through the date of termination. If any of the certifications listed in Article 46.1 through 46.6 shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor hereby certifies that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, the Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, the Contractor accepts that the owed amount be offset by PREPA and retained at the origin,



Page 94 of 185

deducted from the corresponding payments. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Subcontractor whose service the Contractor has secured in connection with the Work to be performed under this Contract and shall forward evidence to PREPA as to its compliance with this requirement. It shall be the Contractor's responsibility, also, to require all subcontracted third parties to comply with all the previous Certifications and agrees to notify PREPA of such compliance within ten (10) Working Days of subcontracting such third party.

- B. If any of the previously required certifications shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor hereby certifies and represents that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, the Contractor shall provide, immediately, to PREPA a proof of payment of this debt; otherwise, the Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments.
- C. The Contractor acknowledges and agrees that submittal of the aforementioned certifications and documents is an essential condition of this Contract; and even in the case that they are partially incorrect, there shall be



sufficient cause for PREPA to terminate or any Task Order the Contract, and the Contractor shall be paid for all Work performed through the date of termination.

- ARTICLE 47. Compliance with Applicable Federal Law, Regulations and Executive Orders
- 47.1 Compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708) as supplemented by Department of Labor regulations (29 C.F.R. part 5).
 - A. Overtime requirements. No Contractor or Subcontractor contracting for any part of the Contract which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
 - B. <u>Violation; liability for unpaid wages; liquidated damages</u>. In the event of any violation of the clause set forth in paragraph (A) of this Article 47.1, the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, the Contractor and such Subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause Page 96 of 185

set forth in paragraph (A) of this Article 47.1, in the sum of \$26 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (A) of this Article 47.1.

- C. Withholding for unpaid wages and liquidated damages. The Government of Puerto Rico shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of Work performed by the Contractor or Subcontractor under any such contract or any other Federal contract with the same contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same contractor, such sums as may be determined to be necessary to satisfy any liabilities of the Contractor or such Subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this Article 47.1.
- D. <u>Subcontracts</u>. The Contractor or Subcontractor shall insert in any Subcontracts the clauses set forth in paragraph (A) through (D) of this Article 47.1 and also a clause requiring the Subcontractors to include these clauses in any lower tier Subcontracts. The Contractor shall be responsible for compliance by any Subcontractor or lower tier Subcontractor with the clauses set forth in paragraphs (A) through (D) of this Article 47.1.



47.2 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

The Contractor certifies, represents and warrants that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier-to-tier up to the recipient (the Government of Puerto Rico).

47.3 Breach of Contract Terms

Any violation or breach of terms of this Contract on the part of the Contractor or a Subcontractor may result in the suspension or termination of this Contract or such other action, including the recovery of damages, as may be necessary to enforce the rights of PREPA. The duties and obligations imposed by this Contract and the rights and remedies available hereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

47.4 Clean Air Act and the Federal Water Pollution Control Act

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., and the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq. The Contractor agrees to report each violation to PREPA and understands and agrees that

Page 98 of 185

PREPA shall, in turn, report each violation as required to ensure notification to the Government of Puerto Rico, FEMA, HUD and the EPA Regional Office. The Contractor agrees to include these requirements in each Subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

47.5 Sufficiency of Funds

The Contractor acknowledges and agrees that funding for this Contract is contingent upon the availability of Federal assistance awarded by federal agencies to the Government of Puerto Rico. A failure of PREPA to make any payment under this Contract due to unavailability of Federal and/or Government of Puerto Rico funding shall not constitute a breach of the Contract by PREPA or default thereunder and PREPA and the Government of Puerto Rico shall not be held financially liable therefore. If during the Term, Federal or local funding is reduced, de-obligated, or withdrawn, PREPA shall have the right to reduce the scope of or terminate any Task Order or the Contract. PREPA shall provide the Contractor with written notice of the lack of funding within a reasonable time and PREPA reserves all rights to reduce the scope of or terminate the Contract as a result of lack of funding.

47.6 FEMA Disaster Assistance Survivor/Registrant Data

A. If the Contractor has access to Disaster Assistance Survivor/Registrant data or any other personally identifiable information, the Contractor shall comply with the provisions of the Terms and Conditions for Sharing FEMA Disaster Assistance Survivor/Registrant Data with State



Page 99 of 185

Governments set forth in the FEMA-Government of Puerto Rico Contract for FEMA-4339-DR-PR.

B. The Contractor shall indemnify, defend, and hold PREPA and the Government of Puerto Rico harmless from any and all costs associated with the defense of that litigation, including legal costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this Contract.

47.7 Costs

All costs incurred by the Contractor in performance of this Contract must be in accord with the cost principles of 2 C.F.R. pt. 200, Subpart E. PREPA shall not be required to make payments to the Contractor for costs which are found to be contrary to the cost principles 2 C.F.R. pt. 200, Subpart E.

47.8 Financial Management System

The Contractor's financial management system shall provide for the following:

- A. accurate, current and complete disclosure of the financial results of this Contract and any other contract, grant, program or other activity administered by the Contractor;
- B. records adequately identifying the source and application of all Contractor funds and all funds administered by the Contractor which shall contain information pertaining to all contract and grant awards and authorizations,



obligations, unobligated balances, assets, liabilities, outlays and income, and shall be segregated by contract or on a contract-by-contract basis;

- C. effective internal control structure over all funds, property and other assets, sufficient to allow the Contractor to adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes;
- D. comparison of actual outlays with budgeted amounts for this Contract and for any other contract, grant, program or other activity administered by the Contractor;
 - E. accounting records supported by source documentation;
- F. procedures to minimize elapsed time between any advance payment issued and the disbursement of such advance funds by the Contractor; and
- G. procedures consistent with the provisions of any applicable policies of the Federal Government and the Government of Puerto Rico and procedures for determining the reasonableness, allowability and allocability of costs under this Contract.

47.9 Penalties, Fines, and Disallowed Costs

In the event that any U.S. Federal agency or the Government of Puerto Rico disallows or demands repayment for costs incurred in the performance of this Contract, or if any penalty is imposed due to an act or omission by the Contractor, the Contractor shall be solely responsible for such penalty, disallowed costs, or repayment demand, and shall reimburse PREPA in full within ten (10) days of receiving notice from PREPA of such

Page 101 of 185

penalty, disallowance, or repayment demand. Any monies paid by the Contractor pursuant to this provision shall not relieve the Contractor of liability to PREPA for damages sustained by PREPA by virtue of any other provision of this Contract.

47.10 Debarment, Suspension, and Ineligibility

- A. The Contractor represents and warrants that the Contractor, it principals, and affiliates have not been debarred, suspended, or placed in ineligibility status under the provisions of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000 (government debarment and suspension regulations). The Contractor represents and warrants that it will not enter into any contracts or Subcontracts with any individual or entity which has been debarred, suspended or deemed ineligible under those provisions. During the Term, the Contractor shall periodically review SAM.gov and local notices to verify the continued accuracy of this representation. The Contractor shall require all Subcontractors at every tier to comply with this requirement.
- B. This certification is a material representation of fact relied upon by PREPA. If it is later determined that the Contractor did not comply with 2 C.F.R. pt. 180, subpart C, and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Government of Puerto Rico and PREPA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.



47.11 Reporting Requirements

The Contractor shall complete and submit all reports, in such form and according to such schedule, as may be required by PREPA.

47.12 Review of Laws

The Contractor certifies and warrants that it will access online and read each law that is cited in the aforementioned clauses and that, in the event it cannot access the online version, it shall notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA shall be evidence that the Contractor was able to find it online and read it as required.

47.13 Notice of FEMA Reporting Requirements and Regulations

A. The Contractor acknowledges and agrees that PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay for the costs incurred under this Contract. As a condition of FEMA funding under major disaster declaration FEMA-4339-DR-PR, FEMA requires the Government of Puerto Rico and PREPA to provide various financial and performance reporting. The Contractor agrees to provide all information, documentation, and reports necessary to satisfy these reporting requirements. The Contractor acknowledges and agrees that failure by the Contractor to maintain and provide information necessary to satisfy these reporting requirements, or to carry out all Work in accordance the applicable law, regulation and guidelines, may result in the loss of Federal funding for this Contract, and such



Page 103 of 185

failure shall constitute a material breach and Default under this Contract, entitling PREPA to [a reduction in the amounts owed to the Contractor in respect of Work performed to compensate for such loss of Federal funding as well as any other rights and] remedies under this Contract, the law or equity.

- B. Applicable regulations, FEMA policy, and other sources setting forth these reporting requirements include, but are not limited to:
 - 1. 2 C.F.R. § 327 (Financial Reporting);
 - 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
 - Performance and financial reporting requirements set forth in
 C.F.R. Part 206.

47.14 Access to Records

- A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA and HUD Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are related to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.
- B. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.



C. The Contractor agrees to provide the FEMA and HUD Administrators or their authorized representatives access to Sites pertaining to the Work.

47.15 Retention Requirements for Records

- A. The Contractor agrees to maintain all books, records, accounts and reports and all other records produced or collected in connection with this Contract for a period of not less than three (3) years after the date of final payment and closed-out of all pending matters related to this Contract. If any litigation, claim, or audit is reasonably anticipated to arise or is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- B. Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub-recipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:
 - If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all



litigation, claims, or audit findings involving the records have been resolved and final action taken.

- When PREPA is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- Records for real property and equipment acquired with Federal funds must be retained for three (3) years after final disposition.
- 4. When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3- year retention requirement is not applicable to the non-Federal entity.
- 5. Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
- 6. This paragraph applies to the following types of documents and their supporting records: in- direct cost rate computations

or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

- 7. If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
- 8. If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

47.16 Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.



47.17 Procurement of Recovered Materials

In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—(i) competitively within a timeframe providing for compliance with the Contract performance schedule; (ii) meeting Contract performance requirements; or (iii) at a reasonable price. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program.

47.18 Equal Opportunity

During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, gender, sexual identity, sexual orientation, gender identity, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, gender, sexual identity, sexual orientation, gender identity, 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. The Contractor agrees to post in conspicuous places, available to



employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

- B. The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, gender, sexual identity, sexual orientation, gender identity, or national origin.
- C. The Contractor shall not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.
- D. The Contractor shall send to each labor union or representative of workers with which it has a collective bargaining Contract or other contract or



understanding (if any) a notice advising the labor union or workers' representative of the Contractor's commitments under section 202 of the US Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- E. The Contractor shall comply with all provisions of Executive Order11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- F. The Contractor shall furnish all information and reports required by Executive Order 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by PREPA and any Governmental Authority for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- G. In the event of the Contractor's non-compliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- H. The Contractor shall include the provisions of paragraphs (A) through (H) in every Subcontract or purchase order, unless exempted by rules,

Page 110 of 185

regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions shall be binding upon each Subcontractor or vendor. The Contractor shall take such action with respect to any Subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

47.19 Energy Efficiency

The Contractor agrees to comply with the requirements of 42 U.S.C. § 6201, which contain policies relating to energy efficiency that are defined in the Government of Puerto Rico's energy conservation plan issued in compliance with said statute.

47.20 Age Discrimination Act of 1975

The Contractor shall comply with the provisions of the Age Discrimination Act of 1975. 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.

47.21 Americans with Disabilities Act

The Contractor shall comply with the appropriate areas of the Americans with Disabilities Act of 1990, as enacted and from time to time amended, and any other

Page 111 of 185

applicable federal regulation. A signed, written certificate stating compliance with the Americans with Disabilities Act may be requested at any time during the Term.

47,22 Title VI of the Civil Rights Act of 1964

The Contractor shall comply with the provisions of Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

47.23 Section 504 of the Rehabilitation Act of 1973, as Amended

The Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of its disability, be denied the benefits, or be subjected to discrimination including discrimination in employment, any program or activity that receives the benefits from the federal financial assistance.

47.24 Drug-Free Workplace

The Contractor shall maintain a drug-free work environment in accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. § 8101 et seq.), and implementing regulations at 2 C.F.R Part 3001.

47.25 Compliance with Laws, Regulation and Executive Orders

The Contractor acknowledges that FEMA and HUD financial assistance will be used to fund this Contract. The Contractor shall comply with all Applicable Law, regulations, executive orders, policies, procedures, and directives, including but not



limited to all Federal Cost Principles set forth in 2 C.F.R. Part 200, and all applicable FEMA and HUD regulations in 44 C.F.R. Chapter I and 2 C.F.R. Part 200.

47.26 Provisions Required by Law Deemed Inserted

Each and every provision required by law regulation, executive order, policy, procedure, directive, Federal grant award or agreement, or cooperative agreement with any Federal agency to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included herein. If, through mistake or otherwise, any provision is not inserted, or is not correctly inserted, then upon the application of either Party, the Contract shall be amended to make such insertion or correction.

47.27 Agreement to Execute Other Required Documents

The Contractor and all Subcontractors, by entering into the Contract, understand and agree that funding for the Work is provided under Federal programs with specific contracting requirements. To the extent any such requirement is not otherwise set forth herein, the Contractor agrees to execute such amendments or further agreements as may be necessary to ensure that PREPA receives Federal funding for this Contract.

47.28 U.S. Department of Homeland Security Seal, Logo, and Flags

The Contractor shall not use the U.S. Department of Homeland Security seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre- approval.



47.29 No Obligation by the Federal Government

PREPA and the Contractor acknowledge and agree that the Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to PREPA, the Contractor, or any other party pertaining to any matter resulting from the Contract.

47.30 General

All contracts shall contain a clause identifying the type of Contract and the mandatory clauses contained on the latest released HUD forms, as applicable to the Contract type. All contracts, except for general management consulting services, will include performance requirements and liquidated damages.

47.31 Section 3 of the Housing and Urban Development Act of 1968

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

- A. The Work to be performed under this Contract 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 Contract agree to comply with HUD's regulations in 24 C.F.R. part 135, which implement section 3. As evidenced by their execution

Page 114 of 185

of this Contract, the Parties to this Contract 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 shall post copies of the notice in conspicuous places at the 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 shall 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 shall certify and warrant 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 Contract 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 Contract. 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 Contract 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).



47.32 HUD Section 3 Requirements

- A. Section 3 clause required in subcontracts. All Section 3 covered contracts must include a Section 3 clause in accordance with 24 C.F.R. § 135.38. A Section 3 covered contract means a contract or subcontract (including a professional service contract) awarded by a recipient or Contractor for work generated by the expenditure of section 3 covered assistance, or for work arising in connection with a section 3 covered project. "Section 3 covered contracts" do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by section 3.
 - (1) "Section 3 covered assistance" means assistance provided under any HUD housing or community development program that is expended for work arising in connection with public construction projects (which includes other buildings or improvements, regardless of ownership).
 - (2) A "Section 3 covered project" means, among other things, public construction which includes buildings or improvements (regardless of ownership) assisted with community development assistance.



- B. <u>Section 3 minimum contracting goals</u>. Contractor must endeavor to meet the following minimum goals for contracting under HUD funded contracts, as applicable:
 - (1) Arising in connection with public construction shall be awarded to Section 3 businesses. Public construction includes infrastructure work, such as extending water and sewage lines, sidewalk repairs, site preparation, installing conduits for utility services, etc.
 - (2) Three (3) percent of the total dollar amount of all non-construction Section 3 covered contracts shall be awarded to Section 3 businesses. Section 3 covered non-construction projects include maintenance contracts, including lawn care, re-painting, routine maintenance, HVAC servicing, and professional service contracts associated with construction (e.g., architectural, engineering, legal services, accounting, marketing, etc.).
- C. A Section 3 business is one that can demonstrate it meets one of the following criteria:
 - (1) 51 percent or more owned by Section 3 residents; or
 - (2) has permanent, full time employees at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or



- (3) has a commitment to sub-contract in excess of 25 percent of the total dollar award of all sub-contracts to be awarded to such businesses described above.
- D. Order of preference for Section 3 business concerns in contracting opportunities. Contractor and any subcontractors shall direct their efforts to award section 3 covered contracts, to the greatest extent feasible, to section 3 business concerns in the following order of priority (24 C.F.R. § 135.36), where feasible:
 - (1) section 3 business concerns that provide economic opportunities for section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses);
 - (2) applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses); and
 - (3) other section 3 business concerns.
- E. <u>Eligibility for preference</u>. A business concern seeking to qualify for a section 3 contracting preference shall certify or submit evidence, if requested, that the business concern is a section 3 business concern as defined in 24 C.F.R. § 135.5.
- F. Ability to complete contract. A section 3 business concern seeking a contract or a subcontract shall submit evidence to Contractor or Subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the

Page 119 of 185

Party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (2 CFR 200.318(h).) This regulation requires consideration of, among other factors, the potential Contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

47.33 Additional Fair Labor Standards Provisions (HUD Form 4010)

- A. Applicability. The project or program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.
- B. Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of



the Secretary of Labor which is attached hereto and made a part hereof. regardless of any contractual relationship which may be alleged to exist between Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I (b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5. 5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.



- (1) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:
 - (i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
 - (ii) The classification is utilized in the area by the construction industry; and
 - (iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
 - (b) If Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U. S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so



advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215- 0140.)

- (c) In the event the Contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)
- (d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (B)(1)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.



- (2) Whenever the minimum wage rate prescribed in the contract for a class of laborer or mechanics includes a fringe benefit which is not expressed as an hourly rate, Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- (3) If Contractor does not make payments to a trustee or other third person, Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis- Bacon Act have been met. The Secretary of Labor may require Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)
- C. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from Contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including



apprentices, trainees and helpers, employed by Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the Contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to Contractor, disburse such amounts withheld for and on account of Contractor or Subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

D. Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by Contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section I(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has

4

found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis- Bacon Act, Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(1) (a) Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a Party to the contract, but if the agency is not such a Party, Contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security

1

Page 126 of 185

numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this Wage Hour Division Website purpose from the and at http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and Subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a Party to the contract, but if the agency is not such a Party, Contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, Contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a Subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

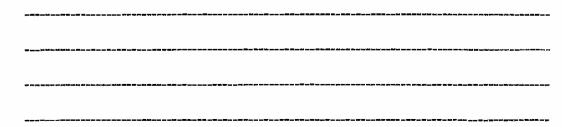


- (b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by Contractor or Subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
 - (i) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;
 - (ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;
 - (iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
- (c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the



requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

- (d) The falsification of any of the above certifications may subject Contractor or any Subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.
- (2) Contractor or Subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If Contractor or Subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the Contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.





E. Apprentices and Trainees.

(1) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to contractors to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on



the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or Subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.



(2) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee



performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- (3) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.
- F. Compliance with Copeland Act requirements. Contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.
- G. <u>Subcontracts</u>. Contractor or Subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by



any Subcontractor or lower tier Subcontractor with all the contract clauses in this paragraph.

- H. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a Subcontractor as provided in 29 CFR 5.12.
- Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts
 3, and 5 are herein incorporated by reference in this contract.
- J. <u>Disputes concerning labor standards</u>. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between Contractor (or any of its Subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

K. Certification of Eligibility.

(1) By entering into this contract, Contractor certifies that neither it (nor he or she) nor any Person or firm who has an interest in the Contractor's firm is a Person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

1

- (2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.
- (3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration....makes, utters or publishes any statement knowing the same to be false....shall be fined not more than \$5,000 or imprisoned not more than two years, or both."
- L. <u>Complaints, Proceedings, or Testimony by Employees</u>. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by Contractor or any Subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.
- M. <u>Health and Safety</u>. The provisions of this paragraph are applicable where the amount of the prime contract exceeds \$100,000:

4

- (1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.
- (2) Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.
- (3) Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each Subcontractor. Contractor shall take such action with respect to any Subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

47.34 Compliance with the Davis-Bacon Act

- A. The Contractor shall comply with the Davis-Bacon Act, 40 U.S.C. §§ 3141–3148, and the requirements of 29 C.F.R. § 5.5 as may be applicable, which are incorporated by reference into this Contract.
- B. The Contractor or Subcontractor shall insert in any Subcontracts the foregoing clause and such other clauses as FEMA and HUD may by appropriate instructions require. The Contractor shall require all Subcontractors to include these clauses in any lower tier subcontracts. The Contractor shall be responsible



for the compliance by any Subcontractor or lower tier Subcontractor with all of these contract clauses.

C. A breach of the contract clauses above may be grounds for termination of the Contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

47.35 Puerto Rico Energy Conservation Plan

Contractor must act in compliance, when applicable, with the mandatory standards and policies relating to energy efficiency which are contained in the Commonwealth's energy conservation plan.

47.36 Patent Rights

All contracts are subject to the patent rights with respect to any discovery or invention which arises or is developed during or under such Contract in accordance with 37 C.F.R. Section 401.2(a) and 37 C.F.R. Part 401.

- 47.37 Compliance with the Copeland Anti-Kickback Act (applicable to all contracts subject to the Davis-Bacon Act)
 - A. The Contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3, as may be applicable, all of which are incorporated by reference into this Contract.
 - B. The Contractor and Subcontractor shall insert in any subcontracts the foregoing clause and such other clauses as FEMA and HUD may by appropriate instructions require. The Contractor shall require all Subcontractors to



Page 137 of 185

include these clauses in any lower tier Subcontracts. The Contractor shall be responsible for the compliance by any Subcontractor or lower tier Subcontractor with all of these contract clauses.

C. A breach of the contract clauses above may be grounds for termination of the contract and for debarment as a contractor and subcontractor, as provided in 29 C.F.R. § 5.12.

47.38 <u>Buy American—Construction Materials Under Trade Agreements</u>
(Oct 2016)

- A. Definitions. As used in this Article-
 - Caribbean Basin country construction material means a
 construction material that—
 - a. Is wholly the growth, product, or manufacture of a Caribbean
 Basin country; or
 - b. In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a Caribbean Basin country into a new and different construction material distinct from the materials from which it was transformed.
 - 2. Commercially available off-the-shelf (COTS) item
 - a. Means any item of supply (including construction material)
 that is—



- A commercial item (as defined in paragraph (1) of the definition at FAR 2.101);
- ii. Sold in substantial quantities in the commercial marketplace; and
- iii. Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and
- Does not include bulk cargo, as defined in 46 U.S.C. §
 40102(4), such as agricultural products and petroleum products.
- Component means an article, material, or supply incorporated directly into a construction material.
- 4. Construction material means an article, material, or supply brought to the Site by the Contractor or Subcontractor for incorporation into the building or Work. The term also includes an item brought to the Site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or Work and that are produced as complete systems, are evaluated as a single and distinct



construction material regardless of when or how the individual parts or components of those systems are delivered to the Site. Materials purchased directly by the Government are supplies, not construction material.

5. Cost of components means—

- a. For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
- b. For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.

6. **Designated country** means any of the following countries:

A World Trade Organization Government Procurement
 Agreement (WTO GPA) country (Armenia, Aruba, Austria,
 Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic,
 Denmark, Estonia, Finland, France, Germany, Greece, Hong

1

Page 140 of 185

Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, Ukraine, or United Kingdom);

- A Free Trade Agreement (FTA) country (Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Korea (Republic of), Mexico, Morocco, Nicaragua, Oman, Panama, Peru, or Singapore);
- c. A least developed country (Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, or Zambia); or



Page 141 of 185

- d. A Caribbean Basin country (Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bonaire, British Virgin Islands, Curacao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saba, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sint Eustatius, Sint Maarten, or Trinidad and Tobago).
- 7. **Designated country construction material** means a construction material that is a WTO GPA country construction material, an FTA country construction material, a least developed country construction material, or a Caribbean Basin country construction material.
- Domestic construction material means—
 - a. An unmanufactured construction material mined or produced in the United States;
 - b. A construction material manufactured in the United States,
 if
 - i. The cost of its components mined, produced, or manufactured in the United States exceeds fifty percent (50%) of the cost of all its components. Components of foreign origin of the same class or kind for which non-availability determinations have been made are treated as domestic; or



- ii. The construction material is a COTS item.
- Foreign construction material means a construction material other
 than a domestic construction material.
- 10. Free Trade Agreement country construction material means a construction material that—
 - Is wholly the growth, product, or manufacture of a Free Trade
 Agreement (FTA) country; or
 - b. In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in an FTA country into a new and different construction material distinct from the materials from which it was transformed.
- 11. Least developed country construction material means a construction material that
 - a. Is wholly the growth, product, or manufacture of a least developed country; or
 - b. In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a least developed country into a new and different construction material distinct from the materials from which it was transformed.



- United States means the fifty (50) States, the District of Columbia, and outlying areas.
- 13. WTO GPA country construction material means a construction material that—
 - a. Is wholly the growth, product, or manufacture of a WTO GPA country; or
 - b. In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a WTO GPA country into a new and different construction material distinct from the materials from which it was transformed.

B. Construction materials.

1. This Article implements 41 U.S.C. chapter 83, Buy American, by providing a preference for domestic construction material. In accordance with 41 U.S.C. § 1907, the component test of the Buy American statute is waived for construction material that is a COTS item. (See FAR 12.505(a)(2)). In addition, the Contracting Officer has determined that the WTO GPA and Free Trade Agreements



(FTAs) apply to this acquisition. Therefore, the Buy American restrictions are waived for designated country construction materials.

- 2. The Contractor shall use only domestic or designated country construction material in performing this Contract, except as provided in paragraphs (B)(3) and (B)(4) of this Article.
- 3. The requirement in paragraph (B)(2) of this Article does not apply to information technology that is a commercial item or to the construction materials or components listed by the Government as follows:

[Contracting Officer is to list applicable excepted materials or indicate "none"]

- 4. The Contracting Officer may add other foreign construction material to the list in paragraph (B)(3) of this Article if the Government determines that
 - a. The cost of domestic construction material would be unreasonable. The cost of a particular domestic construction material subject to the restrictions of the Buy American statute is unreasonable when the cost of such material exceeds the cost of foreign material by more than 6 percent;
 - b. The application of the restriction of the Buy American statute to a particular construction material would be impracticable or inconsistent with the public interest; or



- c. The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.
- C. Request for determination of inapplicability of the Buy American statute.
- 1. (i) Any Contractor request to use foreign construction material in accordance with paragraph (B)(4) of this Article shall include adequate information for Government evaluation of the request, including
 - a. A description of the foreign and domestic construction materials;
 - b. Unit of measure;
 - c. Quantity;
 - d. Price;
 - e. Time of delivery or availability;
 - f. Location of the Work;
 - g. Name and address of the proposed supplier; and
 - h. A detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (B) of this Article.
 - i. A request based on unreasonable cost shall include a reasonable survey of the market and a completed price comparison table in the format in paragraph (D) of this Article.



- ii. The price of construction material shall include all delivery costs to the Site and any applicable duty (whether or not a duty-free certificate may be issued).
- iii. Any Contractor request for a determination submitted after contract award shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Contractor does not submit a satisfactory explanation, the Contracting Officer need not make a determination.
- i. If the Government determines after Contract award that an exception to the Buy American statute applies and the Contracting Officer and the Contractor negotiate adequate consideration, the Contracting Officer shall modify the Contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (B)(4)(a) of this Article.
- j. Unless the Government determines that an exception to the Buy American statute applies, use of foreign construction material is noncompliant with the Buy American statute.



D. To permit evaluation of requests under paragraph (C) of this Article based on unreasonable cost, the Contractor shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Construction Materials Price Comparison

Construction material description	Unit of measure	Quantity	Price (dollars)1
Item 1:			
Foreign construction material			
Domestic construction material			
ltem 2:			
Foreign construction material			
Domestic construction material			_

- E. Include all delivery costs to the Site and any applicable duty (whether or not a duty-free entry certificate is issued).
- F. List name, address, telephone number, and contact for suppliers surveyed.

 Attach copy of response; if oral, attach summary.
 - G. Include other applicable supporting information.

Notes:

- 1. List in paragraph (B)(3) of the clause all foreign construction material excepted from the requirements of the Buy American statute, other than designated country construction material.
- 2. If the head of the agency determines that a higher percentage is appropriate, substitute the higher evaluation percentage in paragraph (B)(4)(i).



Page 148 of 185

H. Restrictions on Certain Foreign Purchase

- 1. Except as authorized by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury, the Contractor shall not acquire, for use in the performance of this Contract, any supplies or services if any proclamation, Executive order, or statute administered by OFAC, or if OFAC's implementing regulations at 31 C.F.R. chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States.
- Except as authorized by OFAC, most transactions involving Cuba. 2. Iran, and Sudan are prohibited, as are most imports from Burma or North Korea, into the United States or its outlying areas. Lists of entities and individuals subject to economic sanctions are included in OFAC's List of Specially Designated Blocked **Nationals** and Persons at http://www.treas.gov/offices/enforcement/ofac/sdn. More information about these restrictions, as well as updates, is available in the OFAC's regulations at 31 C.F.R. chapter V and/or on OFAC's Web site at http://www.treas.gov/offices/enforcement/ofac.
- 3. The Contractor shall insert this Article, including this paragraph (3), in all Subcontracts.
- I. Inconsistency Between English Version and Translation of Contract

In the event of inconsistency between any terms of this Contract and any translation into another language, the English language meaning shall control.



47.39 Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico

The Parties acknowledge that the Contractor has submitted the certification titled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico, effective as of November 6, 2017 and amended on October 30, 2020, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor Certification Requirement" is included as an annex to this Contract.

ARTICLE 48. Confidentiality

The Contractor and PREPA will treat, and will cause its personnel to treat, all Confidential Information as confidential and proprietary, and the Contractor and PREPA shall not, and will ensure that its parent and each of their respective officers, directors, representatives, agents, and employees shall not, disclose such Confidential Information to any person or entity without the prior written consent of the other Party. The Contractor and PREPA will not, and the Contractor and PREPA will ensure that their respective officers, directors, representatives, agents, and employees will not use any Confidential Information except in connection with the Work and will not disclose details of the Work to any third party except to those who are to perform the Work, and then only (i) to the extent required to perform the particular portion of the Work; (ii) if the third party agrees to keep such Confidential Information confidential and (iii) prior to disclosing any



Confidential Information to any Subcontractor or other contractor necessary to perform the Work, the Contractor and PREPA shall bind such Subcontractor or other contractor to the confidentiality obligations contained in this Article 48 (Confidentiality). The Contractor and PREPA will take, and the Contractor and PREPA will ensure that the their respective officers, directors, representatives, agents, oan employees will take, all reasonable precautions to safeguard any documents containing Confidential Information that each Party provides to the other Party under this Contract or any Task Order. The terms of this provision shall survive the termination of this Contract.

The Contractor and PREPA will obtain the other Party's prior written approval before making any announcement or publication concerning the Work. Each Party and their respective officers, directors, representatives, agents, or employees shall not take, use or publish photographs or videos of the Work at any time unless prior written authorization is obtained from the other Party.

ARTICLE 49. Complete Agreement

This document, together with all attachments referred to herein and each Task Order issued under this Contract, constitutes the entire agreement between the parties as to this subject matter and supersedes all communications, negotiations, and agreements of the Parties, whether written or oral, other than these, made prior to the signing of this Contract.

#

Page 151 of 185

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of this 2021, in San Juan, Puerto Rico.

By:

Puerto Rico Electric Power Authority

By Efrar Paredes Maisonet
Executive Director
Tax ID: 660-43-

MasTec Renewable Puerto Rico, LLC

Redacted

Executive Vice President
Tax ID: 660-75Redacted

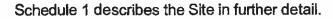


APPENDIX A

FORM OF TASK ORDER

[NTD: All bracketed text shall be completed prior to execution of the Task Order, as further detailed below.]

TASK ORDER#
This TASK ORDER ("Task Order") is entered into on this [] day of [], 20[]
("Task Order Effective Date"), by and between [Puerto Rico Electric Power Authority]
("PREPA") and [] (the "Contractor") and is hereby incorporated into the
Master Service Agreement dated [], 20[_], between the Contractor and
PREPA (the "Contract"). Capitalized terms not defined herein shall have the meaning set
forth in the Contract.
1. Facility and Site Description — The Contractor shall provide Work for the
following facility on the following Site: [NTD: The following lines shall name the
"facility", as well as the specific location within such facility, e.g.
[]. It's highly preferred that such location be as specific as
possible. It is recommended that a drawing detailing the work areas in
relation to other portions of the facility is included in Schedule 1.]
[





- Description of Work In addition to the Work required under the Contract to be performed by the Contractor, the Contractor shall perform the Work described in Schedule 2.
- 4. Reimbursable Compensation PREPA shall pay the Contractor for the Work based on the rates established in Appendix E of the Contract, subject to a maximum of \$[•] for this Task Order. [PREPA shall reimburse the Contractor for the demonstrated cost of mobilization, subject to a maximum of \$[•] for this Task Order, which amount shall not include mobilization of any personnel or equipment previously paid for by PREPA.]
- 5. Delay Liquidated Damages [_] Yes [_] No. The Delay Liquidated Damages, if any, are set forth in Schedule 4 of this Task Order. [NTD: Please mark Yes or No. One box must be marked.]
- Permits Schedules 5 and 6 set forth the Contractor permits and the PREPA permits for this Task Order, respectively.



- 7. PREPA-Supplied Equipment Schedule 7 sets forth the PREPA-Supplied Equipment for this Task Order.
- 8. **Technical Specifications and Drawings** Part 3 of Schedule 2 sets forth any technical specifications and drawings for this Task Order.
- Codes and Standards The Contractor shall comply with the codes and standards set forth in Part 2 of Schedule 2, in addition to any other applicable law and the requirements of the Contract.
- 10. [Tests on Completion The Contractor shall conduct, and ensure that the Work passes (in the reasonable judgment of PREPA), the tests set forth in Part 4 of Schedule 2 prior to Final Acceptance and again prior to the expiration of the Warranty Period.]

PREPA's Engineer & Contact De	tails —
1.2.1.0 2.3	***************************************

1 N

 $^{^{\}mbox{\scriptsize 1}}$ NTD: Include any insurance, dispute or other Work specific obligations.

	Ine Contractor's Construction Manager & Contact Details —
	The Contractor's Safety Officer & Contact Details —
į	Headings and Captions — The headings and captions contained in this Task
(Order are for convenience and reference only and in no way define, describe
+	extend or limit the scope of intent of this Task Order or the intent of any provision
	contained herein.
	; <u>busings-to-to-to-to-to-to-to-to-to-to-to-to-to-</u>
	/
	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
-,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
•	
•	
	.ampga Ba aa aa ku ka aa
	₩####################################



IN WITNESS WHEREOF, the Parties hereto have executed this Task Order through their duly authorized officers to be effective as of the Task Order Effective Date.

THE CONTRACTOR	PREPA
MasTec Renewables Puerto Rico, LLC	[Puerto Rico Electric Power Authority
Ву:	By:
Signature	Signature
Name	Name
Title	Title



# SCHEDULE 1

# SITE

[To be developed on a Task Order by Task Order basis.]
PARTITION OF THE PROPERTY OF T
40



Page 158 of 185

# SCHEDULE 2 SCOPE OF WORK

	1		Scope	of	Work
--	---	--	-------	----	------

[NTD: Insert detailed description of Work to be performed under this Task Order.]

2. Applicable Codes and Standards

[NTD: Insert Additional Applicable Codes and Standards. If not applicable, enter "N/A".]

3. Technical Specifications and Drawings

[NTD: Insert Technical Specifications and Drawings.]

4. Tests on Completion

[NTD: Insert Technical Specifications and Drawings.]
**************************************



Page 159 of 185

# **SCHEDULE 3**

# PROJECT SCHEDULE

Milestones	Milestone Date*
	[]
Target Completion Date	

Note. Wilestone Dates may be	; caleriuar	yales or	number	or days	ironi ine	rask (	Jraei
Effective Date.							
######################################							
					R R R R W = = # W to + = #	40,50 004 <del>11-</del> -	
	·						
				هم هم الله إليام بليان بار مار إليان إليان المار إليان المار إليان المار			
**************************************							
		r=			**********		

#### SCHEDULE 4

#### **DELAY LIQUIDATED DAMAGES**

In accordance with the Contract, if Completion occurs after the Target Completion Date set forth in <u>Schedule 3</u> of this Task Order, the Contractor shall pay to PREPA Delay Liquidated Damages in the amounts set forth in this <u>Schedule 4</u> per day for each day, or portion thereof, of delay until Completion occurs: [Drafting Note: If Delay Liquidated Damages are not applicable, please delete all text (except for "Appendix A, Schedule 4" and insert "Intentionally Not Used.]

Period	Delay Liquidated Damages
For each day after the Target Completion Date:	U.S. [\$] per day
	**************************************



# **SCHEDULE 5**

#### **CONTRACTOR PERMITS**

The Contractor shall be responsible for obtaining the following Permits and any other Permits required by the Contract.

issuing Agency	Permit Description	Received
Federal		
Commonwealth		
Other Applicable Gover	nmental Authorities	
**************************************		
H		
		**************************************
ر المراجع المر	N	: L 7 5 7 7 4 4 4 4 7 1 1 1 1 1 1 1 1 1 1 1 1 1
		····



Page 162 of 185

# SCHEDULE 6

# PREPA PERMITS

PREPA shall provide the Permits listed below within the times set forth below.

Issuing Agency	Permit Description	Date Required or Received
Federal		
	- WI	
		TV6W=
Commonwealth		
Other Applicable Cove	manustal Autositics	
Other Applicable Gove	Inmental Authorities	
		***************************************
	/#~~ <i>}</i>	



# SCHEDULE 7 COMPANY-SUPPLIED MATERIALS

[То	be	pro	vide	d]	

	të a- a an- a an- a po nava-coccura.		
<u> </u>			
M N N N N N N N N N N N N N N N N N N N	<u> </u>		
-		<del></del>	
			. ALE DE LES TREATS TO SERVE AND
		· W - Will p. Will Fill profit por State plate p. State p	م د در د
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
		· h	



# **APPENDIX B**

# FORM OF CHANGE ORDER

(for use when the Parties agree upon and execute a Change Order pursuant to the

Contract and the applicable Task Order)

CONTRACT NO.: []	CHANGE ORDER NUMBER:
DATE OF CONTRACT: [•]	DATE OF CHANGE ORDER:
TASK ORDER NO.:	
DATE OF TASK ORDER: [•]	
The above referenced Task Order □ or	Contract □ (select one or both) between the
Parties listed above is changed as	follows: (attach additional documentation if
necessary)	
Adjustment to schedule (including cha	inges to Target Completion Date):
(insert N/A if no changes or impact; attack	h additional documentation if necessary)
Adjustment to price:	
1. The original [Contract Price] was	\$
2. Net change by previously authorized C	hange Orders (COs#)\$
3. The [Contract Price] prior to this Chang	ge Order was\$
4. The [Contract Price] will be (increased)	(decreased) (unchanged)
by this Change Order in the amount of	\$
5. The new [Contract Price] including this	Change Order will be\$
	Page 165 of 185

Other Adjustment (provide description of adjustment made by this Change Order):

(insert N/A if no changes or impact; attach additional documentation if necessary)

Upon execution of this Change Order by the Contractor and PREPA, the above-referenced change shall become a valid and binding part of the above referenced Contract and/or Task Order, as applicable, without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Contract and/or Task Order, as applicable, shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

[Insert name of the Contractor]	[PREPA]		
By	Ву		
Name	Name		
	Title		



#### APPENDIX C

#### FORM OF PERFORMANCE GUARANTEE

#### **UNCONDITIONAL ON-DEMAND BANK GUARANTEE**

[Bank's Name, and Address of Issuing Branch or Office]

Beneficiary: PUERTO RICO ELECTRIC POWER AUTHORITY

Address: [•]
Attn: [•]

Date: [•]

[Insert Description of Work under Task Order] - Performance Security No. [•]

We understand that [insert name of the Contractor] (the "Applicant") has entered into a contract with you, the Beneficiary, dated [•] (as amended, the "Contract"). Furthermore, we understand that, pursuant to the Task Order issued on [date], the Contract requires a performance guarantee.

At the request of the Applicant, we [name of Bank], hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [•] United States Dollars (USD [•]), upon receipt by us of your first demand in writing in the form attached as Annex A hereto (signed by your authorized representative), without your needing to prove or to show grounds for your demand or the sum specified therein. We shall remit all payment(s) under this guarantee into a bank account of your choice and discretion as specified in your written demand. You may make one or more demands under this guarantee.

This guarantee shall enter into force and effect upon expiry of Performance Guarantee No. [•], dated [•] and issued by [•].

This guarantee shall expire on the earlier to occur of (i) the date that you deliver a certificate to us, confirming that the Principal has delivered to you a new guarantee that replaces this guarantee in accordance with the Contract, and (ii) [date]². Consequently, we must receive any demand for payment under this guarantee at this office on or before such expiry date. Upon its expiry, you shall return the present guarantee to us. It will however become null and void, irrespective of whether you have returned it.

The Beneficiary may assign and transfer its rights under this guarantee to its lenders pursuant to its financing agreements. The Guarantor shall have no obligation to make any kind of payment to any assignee and/or transferee unless the Beneficiary has notified the Guarantor in writing of such assignment and/or transfer. For the avoidance of doubt, the Guarantor hereunder shall have no obligation to make any kind of payment to any other party, transferee and/or assignee if it suspects or has reasonable grounds or of the opinion that such payment has the potential of violating any applicable trade sanctions or anti-money laundering regulations.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 758, excluding sub-article 15 (a), and to the extent not inconsistent therewith, the laws of *[jurisdiction of the Qualified Bank]*. In the event of a conflict between the terms of this guarantee and the Uniform Rules for Demand Guarantees, ICC Publication No. 758, the terms of this guarantee shall prevail.

² The date should reflect the date 60 days after the expiration of the Warranty Period for the relevant Task Order.

The courts of the [United States federal courts in the Commonwealth of Puerto Rico] shall have non-exclusive jurisdiction in respect of all disputes arising out of this guarantee.

Ву:

**Authorized Signatory** 



### ANNEX A - FORM OF DEMAND LETTER

[Letterhead of Beneficiary]

[Name of Guarantor]

Date: [•]

[Insert Work Description] - Performance Guarantee No. [•]

We refer to the above-captioned Unconditional On-Demand Bank Guarantee (the "Guarantee"). Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them in the Guarantee. We hereby inform you that the Contractor has breached its obligations under the Contract, and/or other related agreements, entitling us to call upon the Guarantee. This letter serves as our demand for payment under the Guarantee. We request that you immediately pay the sum of [•] into the bank account below:

Account Name: [•]

Account Number: [•]

Bank Name: [•]

Bank Address: [•]

Swift Code: [•]

Yours very truly,

[The Puerto Rico Electric Power Authority]

By:

Authorized Signatory



#### APPENDIX D

#### FORM OF UNCONDITIONAL WAIVER AND RELEASE OF LIENS

DEED OF UNCONDITIONAL WAIVER AND RELEASE OF LIENS (this "Deed") dated

[•]

**issued by** [•], a limited company organized and existing under the laws of [•], with a registered address at [•] (the "Contractor");

In Favor of The Puerto Rico Electric Power Authority, a public corporation and government instrumentality of the Commonwealth of Puerto Rico (the "Employer");

#### Whereas:

- A. The Employer and the Contractor have entered into an agreement dated [•] (as amended from time to time, the "Contract") for the execution of certain permanent works as set out in a Task Order dated [•] (the "Work"); and
- B. pursuant to Article 3.6 of the Contract, the Contractor has agreed to execute and deliver this Deed of Unconditional Waiver and Release of Liens ("Release") in respect of the Work;

NOW, THEREFORE, the Contractor, does for itself, its successors, heirs and assignees, hereby state, affirm and agree that:

in accordance with the terms and conditions of this Release, the Contractor does
hereby release and forever discharge the Employer and its respective officers,
directors, agents, servants and employees, and all lands, improvements, chattels,
and other real and personal property connected with or a part of the Work from



- any and all contractual liens and any other liens arising by operation of law or otherwise in connection with, or arising out of, the performance of the Work;
- 2. the Contractor hereby specifically waives and releases any claim, lien, right to lien, security interest or encumbrance of any kind in connection with the Contract against the Employer, the Employer's property and the Work, and also specifically waives, to the fullest extent allowed by applicable laws, all claim, liens, rights of lien, or encumbrances in connection with the Contract by the Contractor's subcontractors, materialmen, laborers, and all other persons or entities furnishing services, labor, or materials in connection with the Contract that may exist under applicable laws, with respect to and on the Work, the Site and any and all interests therein, and all improvements and materials placed on the Site, or machinery furnished by the Contractor for the Work;
- 3. the Contractor certifies and represents that no person or entity has filed any liens, notice of intention to claim a lien, or proceeding to establish a lien, arising out of or in connection with the Work; and no debt with any Subcontractor, manufacturer, employee, Governmental Authority and service or materials provider exists;
- 4. the release provided for herein of any and all liens in connection with or arising out of the performance of the Work shall not otherwise affect the rights of the Employer and the Contractor under the Contract, including rights based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for performance of the Work that the Employer has not compensated the Contractor for performance of such work in accordance with the terms of the Contract; and



5. the giving of this Release by the undersigned shall not operate in any way to reduce or modify any guarantee or warranty or to release the undersigned therefrom.

Unless the context otherwise requires, capitalized terms used in this Release shall have the meanings ascribed to them in the Contract.

EXECUTED AS A DEED	)
acting by [●]	)
	)
	)
acting in accordance with	)
the Contractor's constitutional documents	)
IN WITNESS WHEREOF this Deed	has been duly executed as a deed by the
Contractor and is intended to be and is here	by delivered by it and takes effect as a deed
on the date specified above.	
	. PORE E - 2-7 MAE ERS E- 22 E - 22 E - 22 E - 24 E - 2



CONTRACTOR

# APPENDIX E

# **RATES**

# 1. LABOR RATES

Labor

**Unit Price** 

Description		MasTec North America Inc Submitted: 08/12/2020		
Program Manager Hr.	\$	240.00		
Contract and Administration Manager Hr.	\$	122.00		
Field Operations Manager Hr.	\$	235.00		
Document Control Manager Hr.	\$	100.00		
Engineering Manager Hr.	\$	225.00		
Environmental Compliance Manager Hr.	\$	175.00		
Equipment Maintenance and Repair				
Manager Hr.	\$	130.00		
Health and Safety Manager Hr.	\$	165.00		
Human Resources Manager Hr.	\$	95.00		



Information Technology Manager Hr.	\$ 100.00
Logistics Manager Hr.	\$ 97.00
Materials Management, Recovery and Inventory Manager Hr.	\$ 97.00
Office Coordinator, Supervisor of Clerical Officers Hr.	\$ 195.00
Procurement Manager Hr.	\$ 100.00
Project Controls Manager (Schedule, Costs) Hr.	\$ 134.50
QA/QC Manager Hr.	\$ 145.50
Superintendent Hr.	\$ 196.00
Foreman Hr.	\$ 196.00
Damage Assessor Hr.	\$ 120.00
Distribution Lineman – Apprentice Hr.	\$ 125.70
Distribution Lineman – Journeyman Hr.	\$ 186.00
Transmission Lineman – Apprentice Hr.	\$ 126.00
Transmission Lineman – Journeyman Hr.	\$ 186.00



Driver (Heavy, Trucks) Hr.	\$ 126.00
Heavy Equipment Operator Hr.	\$ 103.50
Flag person Hr.	\$ 45.00
Groundman Hr.	\$ 80.50
Health and Safety Officer Hr.	\$ 151.00
Helicopter Pilot Hr.	\$ 210.00
Archaeologist Hr.	\$ 150.00
Biologist Hr.	\$ 150.00
Other Skilled Labor Hr.	\$ 125.00
Mechanic – Heavy Equipment Hr.	\$ 185.00
Mechanic – Light Duty Hr.	\$ 111.50
QA/QC Officer Hr.	\$ 91.50
Security Guard (armed) Hr.	\$ 90.00
Security Guard (unarmed) Hr.	\$ 56.00
Security Supervisor Hr.	\$ 112.00



Steelworker, Welder, Cutter

Hr. \$ 125.00

**Unskilled Labor** 

Hr. \$ 50.00

The above labor rates cover and include all charges to be made for direct labor costs, applicable insurance, payroll taxes, subsistence, overhead and profit. Labor rates shall include all required small tools (i.e. a tool under five hundred U.S. Dollars (U.S. \$500) in value). Rates shall only be charged for each billable man-hour actually worked in the proper performance of the Work by a Contractor Personnel listed in the above table. Overtime hours shall be incurred only with the specific, written authorization of PREPA. Overtime hours shall be charged at a one and half (1.5) the regular rate under the following circumstances: a) man-hours expended in excess of forty (40) hours per week; and (b) man-hours expended on Saturday, Sunday or a national holiday recognized by the U.S. Government. Notwithstanding the foregoing, the Contractor may work in excess of its standard workweek without PREPA's authorization, *provided that* there is no premium or overtime charge to PREPA for such Work performed.

The emergency restoration services will require twelve (12) to sixteen (16) hours of work per day, between seven (7) to six (6) days a week.

#### 2. CONSTRUCTION EQUIPMENT RATES

The following construction equipment rates are quoted less operator:



# **Equipment Rates**

# **Transport Equipment**

# Unit Price

Description	ec North America Inc mitted: 08/12/2020
SUV, 4wd Hr.	\$ 23.00
1-ton pickup truck, 4wd 4 door Hr.	\$ 30.00
½-ton pickup truck, 4wd 4 door Hr.	\$ 33.00
¾-ton pickup truck, 4wd 4 door Hr.	\$ 36.00
Van for personnel movement, 15 passengers Hr.	\$ 30.00
1-ton flatbed truck, 4wd Hr.	\$ 32.00
Dump Truck – Up to 10 Cy Hr.	\$ 86.00
Dump Truck – 10 to 20 Cy Hr.	\$ 121.00
Tractor for Hauling (Semi trailer truck), including low- boy trailer, pole trailer, materials trailer, flatbed, other applicable trailers for tasks	
Hr.	\$ 87.00
Mechanic truck Hr.	\$ 82.00

V

Backhoe Loader (Digger), with trailer, buckets and hammer	
Hr.	\$ 47.00
Bulldozers – Similar to Caterpillar D4 Hr.	\$ 78.00
Bulldozers – Similar to Caterpillar D6 Hr.	\$ 115.00
Bulldozers – Similar to Caterpillar D8 Hr.	\$ 141.00
Mini excavator – Similar to Bobcat 337G Hr.	\$ 66.00
Excavators – Small Hr.	\$ 105.00
Excavators –Medium Hr.	\$ 133.00
Excavators – Large Hr.	\$ 143.00
Wheel loader – Similar to Caterpillar 966 Hr.	\$ 124.00
Water truck Hr.	\$ 88.00
Telescopic forklift – Up to 10k lbs. capacity Hr.	\$ 73.00
Telescopic forklift – Up to 20k lbs. capacity Hr.	\$ 80.00
Skid steer, with accessories (forks, buckets,	
winches, etc.) Hr.	\$ 94.00
30-Ton boom Crane Truck Hr.	\$ 193.00

60-Ton boom Crane Truck Hr.	\$ 326.00
30-Ton Crane, Crawler Hr.	\$ 220.00
60-Ton Crane, Crawler Hr.	\$ 346.00
Knuckle boom crane truck Hr.	\$ 221.00
50-Ton, wheeled-crane, similar to Grove RT650E Hr.	\$ 201.00
65 – Ton, All Terrain Crane, Similar to Grove GMK3065 Hr.	\$ 485.00
Bucket Trucks – Distribution & Transmission 40 feet. Hr.	\$ 80.00
Bucket Trucks – Distribution & Transmission 55 feet. Hr.	\$ 81.00
Bucket Trucks - Distribution & Transmission 70 feet. Hr.	\$ 143.00
Bucket Trucks – Distribution & Transmission 100 feet Hr.	\$ 190.00
Pressure Digger Drill - Track Hr.	\$ 132.00
Pressure Digger Drills – Wheeled (Distribution Work) Hr.	\$ 189.00



Pressure Digger Drills – Wheeled (38 kV and Transmission Work) Hr.	\$ 381.00
Puller– up to 10k lbs. with trailer. Hr.	\$ 55.00
Puller– up to 20k lbs. with trailer. Hr.	\$ 115.00
Tensioner – up to 10k lbs. with trailer. Hr.	\$ 45.00
Tensioner – up to 20k lbs. with trailer. Hr.	\$ 80.00
Rope puller Hr.	\$ 125.00
Stringing blocks Hr.	\$ 15.00
Wire reel stand, up to 5-ton Hr.	\$ 6.00
Wire reel trailer Hr.	\$ 27.00
Air Compressor – Small, with hoses, hammers and related accessories required for the duties. Hr.	\$ 25.00
Air Compressor - Medium, with hoses, hammers and related accessories required for the duties Hr.	\$ 29.00



Air Compressor - Large, with hoses, hammers and related accessories required for the duties. Hr.	\$ 31.00
Electric Generator – Suitable for the tasks of the field crews Hr.	\$ 14.00
Large Trencher Hr.	\$ 120.00
Medium Trencher Hr.	\$ 93.00
Small Trencher Hr.	\$ 32.00
Warehouse forklift – Up to 5k lbs. loading capacity Hr.	\$ 39.00
Warehouse forklift – Up to 10k lbs. loading capacity Hr.	\$ 41.00
Water pump – 4" dia. Hose Hr.	\$ 16.00
Water pump - 6" dia. Hose Hr.	\$ 43.00
Water pump – 8" dia. Hose Hr.	\$ 89.00
Light towers – (4 x 1,000 W bulbs) Hr.	\$ 14.00
Helicopter crew, including aircraft, per Hour. Hr.	\$ 4,500.00
10 C.Y. dumpster Month	\$ 500.00
20 C.Y. dumpster Month	\$ 1,000.00



Construction Trailer, 12' x 40' Month

\$ 750.00

Semi trailer, boxed, up to 53-ft. long

Month

800.00

The above construction equipment rates cover and include all charges (exclusive of charges for operator or driver) to be made for the use of equipment and include all maintenance, fuel, taxes, overhead and profit.

The Contractor has included the cost of fuel in the hourly equipment rate schedule, only to the extent that fuel is available on island and that the price of fuel does not increase by more than fifty percent (50%) of the current fuel price prior to storm reediness. The Contractor has not included in the equipment rates the transport fees, costs or taxes to bring fuel to the island from any other port. Should the Contractor need to bring fuel to Puerto Rico, PREPA and the Contractor will work in good faith towards a cost reimbursable unit adder for such transport and other associated fees. The cost must be reasonable and in accordance with the NYMEX RBOB published in Platt's. Furthermore, the Contractor will have to notify PREPA of the value of the adder fee so that PREPA has the option, but not the obligation, to find a less expensive supplier for the fuel that the Contractor needs, the Contractor will not be able to proceed with the purchase of fuel until the Parties reach an agreement and the contract is amended to that effect.



#### Other Rates

Description

MasTec North

America Inc

Submitted:

08/12/2020

Staging Area facility rent

Month \$ 15,000.00

Lodging, meals, water, and other living allowances. per person, per day

\$ 295.00

Upfront Mobilization, Costs Payment for mobilization upon notice to contractor to proceed.

Final Mobilization/Demobilization and other reimbursable items shall be paid on a cost reimbursement basis consistent with the Cost Principles in 2 C.F.R. Part 200, Subpart E.

L.S \$2,500,000.00

The Category I is to supplement PREPA's own workforce at providing emergency restoration services for large-scale damage to PREPA's infrastructure, as determined by PREPA's Executive Director.

The tasks include overhead and underground electrical transmission and distribution repair and recovery, including traditional round wood, light duty steel, square and round concrete poles and lattice towers, and substation/switchyard repair or reconstruction within the PREPA service territory (the "Work" or "Services").

Work requires mobilization no later than one (1) week after a storm hits and the Contractor receives a written notice to proceed. Due to the large scope of work, mobilization will likely



require the transport of materials, labor and equipment from the United States Mainland to supplement PREPA's own workforce and local contractors. The services require the integrated use of heavy lift helicopters, transmission linemen certified to work on transmission voltage and skilled labor to restore transmission voltage structures, insulators and conductors.

The Mobilization/Demobilization and other reimbursable items shall be paid on a cos
reimbursement basis consistent with the Cost Principles in 2 C.F.R. Part 200, Subpart E
Au-tan na anana na natao na numbu
440-000-000-000-00-00-00-00-00-00-00-00-
42-474404401001001001001001001001001001001001



#### Appendix F

#### HUD GENERAL PROVISIONS

#### 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 contract shall be deemed to be inserted herein and the contract 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 contract shall forthwith be physically amended to make such insertion or correction.

#### 2. STATUTORY AND REGULATORY COMPLIANCE

Contractor shall comply with all laws and regulations applicable to the Community Development Block Grant-Disaster Recovery funds appropriated by the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2), 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 the allowability of certain expenses.

#### 3. BREACH OF CONTRACT TERMS

The Agency reserves its right to all administrative, contractual, or legal remedies, including but not limited to suspension or termination of this contract, in instances where the Contractor or any of its subcontractors violate or breach any contract term. If the Contractor or any of its subcontractors violate or breach any contract term, they shall be subject to such sanctions and penalties as may be appropriate. The duties and obligations imposed by the contract 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 Contractor shall complete and submit all reports, in such form and according to such schedule, as may be required by the Agency. The Contractor shall cooperate with all 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.

#### 5. ACCESS TO RECORDS

The Agency, the U.S. Department of Housing and Urban Development, 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 Contractor which are related to this contract, for the purpose of inspection, audits, examinations, and making excerpts, copies and transcriptions.

#### 6. MAINTENANCE/RETENTION OF RECORDS

All records connected with this contract will be maintained in a central location and will be

maintained for a period of at least four (4) years following the date of final payment and close-out of all pending matters related to this contract.

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

The Contractor 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:

- 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 Contractor shall file Form HUD 2516 (Contract and Subcontract Activity) with the Agency on a quarterly basis. A copy of that form is available at http://www.hud.gov/offices/adm/hudclips/forms/files/2516.pdf.

### 8. RIGHTS TO INVESTIONS 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

#### TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

The Contractor shall comply with the provisions of Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

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

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

The Contractor agrees that no qualified individual with handicaps shall, solely on the basis of handicap, 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 Contractor 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 Contractor 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 Contractor shall notify the Agency as soon as possible if this contract or any aspect related to the anticipated work under this contract raises an actual or potential conflict of interest (as defined at 2 C.F.R. Part 215 and 24 C.F.R. § 85.36 (2013) (or 84.42 (2013), if applicable)). The Contractor shall explain the actual or potential conflict in writing in sufficient detail so that the Agency is able to assess such actual or potential conflict. The Contractor shall provide the Agency any additional information necessary for the Agency to fully assess and address such actual or potential conflict of interest. The Contractor shall accept any reasonable conflict mitigation strategy employed by the Agency, 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 Contractor 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 Contractor represents to the Government of Puerto Rico 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 contract.

The Contractor 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 Contractor shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation) without prior written approval of the Government of Puerto Rico.

#### 17. INDEMNIFICATION

The Contractor shall indemnify, defend, and hold harmless the Government of Puerto Rico and 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 Contractor in the performance of the services called for in this contract.

**18.** COPELAND "ANTI-KICKBACK" ACT (Applicable to all construction or repair contracts)

Salaries of personnel performing work under this contract 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 Contractor shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this contract 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 Contractor 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 contractors 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 contractors 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 Contractor 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 contractors or subcontractors, including employees of other governments, on construction work assisted under this contract, 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 Contractor shall submit Form HUD 4710 (Semi-Annual labor Standards Enforcement Report) to the Agency. A fillable version of that form is available at <a href="http://www.hud.gov/offices/adm/hudclips/forms/hud4.cfm">http://www.hud.gov/offices/adm/hudclips/forms/hud4.cfm</a>.

## 21. TERMINATION FOR CAUSE (Applicable to contracts exceeding \$10,000)

If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligations under this contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this contract, the the Government of Puerto Rico shall thereupon have the right to terminate this contract by giving written notice to the Contractor 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 Contractor under this contract shall, at the option of the Government of Puerto Rico, become the Government of Puerto Rico's property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. Notwithstanding the above, the Contractor shall not be relieved of liability to the Government of Puerto Rico for damages sustained by the Government of Puerto Rico may withhold any payments to the Contractor for the purpose of set-off until such time as the exact amount of damages due to the Government of Puerto Rico from the Contractor is determined.

#### 22. TERMINATION FOR CONVENIENCE (Applicable to contracts exceeding \$10,000)

The Government of Puerto Rico may terminate this contract at any time by giving at least ten (10) days' notice in writing to the Contractor. If the contract is terminated by the Government of Puerto Rico as provided herein, the Contractor 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 Contractor 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 Contractor 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 Contractor 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:
  - a) Recruitment, advertising, and job application procedures;
  - b) Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
  - c) Rates of pay or any other form of compensation and changes in compensation;
  - d) Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
  - e) Leaves of absence, sick leave, or any other leave;
  - f) Fringe benefits available by virtue of employment, whether or not administered by the contractor;
  - g) Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
  - h) Activities sponsored by the contractor including social or recreational programs; and
  - i) Any other term, condition, or privilege of employment.
- 2) The Contractor 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 Contractor'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 Contractor 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 Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The Contractor must ensure that applicants and employees with disabilities are informed of the contents of the notice (e.g., the Contractor may have the notice read to a visually disabled individual, or may lower the posted notice so that it might be read by a person in a wheelchair).
- 5) The Contractor will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor 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 Contractor 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 Contractor 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. EXECUTIVE ORDER 11246

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

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

During the performance of this contract, the Contractor agrees as follows:

- 1) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor 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 Contractor 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 Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- 3) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 4) The Contractor will send to each labor union or representative of workers with which he 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 contractor'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 Contractor 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 Contractor 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 Contractor's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor 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) Contractor shall incorporate the provisions of A through G 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 Contractor 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 contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Contractor 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 Contractor 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 Contractor agrees that a breach of this certification is a violation of the equal opportunity clause of this contract.

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

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

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

- 2) Agreement by the Contractor 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 contract, 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 contract, is under consideration to be listed on the Excluded Party Listing System or the EPA List of Violating Facilities.
- 4) Agreement by the Contractor that he will include, or cause to be included, the criteria and requirements in paragraph (A)through (D) of this section in every nonexempt subcontract and requiring that the Contractor will take such action as the government may direct as a means of enforcing such provisions.

# 27. LOBBYING (Applicable to contracts exceeding \$100,000)

The Contractor 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 Contractor, 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 Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- 3) The Contractor 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 Contractor shall comply with Puerto Rico bonding requirements, unless they have not been approved by HUD, in which case the Contractor shall comply with the following minimum bonding requirements:

- 1) A proposal guarantee from each proposal equivalent to five percent of the proposal price. The "proposal guarantee" shall consist of a firm commitment such as a proposal bond, certified check, or other negotiable instrument accompanying a proposal as assurance that the Proponent will, upon acceptance of his proposal, execute such contractual documents as may be required within the time specified.
- 2) A performance bond on the part of the Contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the Contractor's obligations under such contract.
- 3) A payment bond on the part of the Contractor for 100 percent of the contract 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 contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- 2) The parties to this contract 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 contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) Noncompliance with HUD's regulations in 24 C.F.R. part 135 may result in sanctions, termination of this contract 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 Act (25U.S.C. § 450e) also applies to the work to be performed under this contract. 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 contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).
- 8) For contracts exceeding \$100,000, the Contractor shall submit Form HUD 60002 (Section 3 Summary Report) to the Agency on a quarterly basis, notwithstanding the annual reporting requirement set forth in that form's instructions.

#### **30.** FAIR HOUSING ACT

Contractor 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, handicap 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.

# Contractor Certification Requirement

The following certification shall be provided to the Oversight Board and the Commonwealth's Contracting Government Entity by the Chief Executive Officer (or equivalent highest rank officer) of each proposed contractor under contracts submitted for review:

1. The expected contractor's subcontractor(s) in connection with the proposed contract¹ is (are) the following:

(Name of individual or firm, including names of principals or owners of the latter)

(Principal terms and conditions of the contractual relation and role of the subcontractor)

(Amount of proposed contract payable to each subcontractor)

2. Neither the contractor nor any of its owners², partners, directors, officials or employees, has agreed to share or give a percentage of the contractor's compensation under the contract to, or otherwise compensate, any third party, whether directly or indirectly, in connection with the procurement, negotiation, execution or performance of the contract, except as follows:

(Name of individual or firm, including names of principals or owners of the latter)

(Principal terms and conditions of the compensation sharing arrangement and consideration for such benefit)

- 3. To the best knowledge of the signatory (after due investigation), no person has unduly intervened in the procurement, negotiation or execution of the contract, for its own benefit or that of a third person, in contravention of applicable law.
- 4. To the best knowledge of the signatory (after due investigation), no person has: (i) offered, paid, or promised to pay money to; (ii) offered, given or promised to give anything of value to; or (iii) otherwise influenced any public official or employee with the purpose of securing any advantages, privileges or favors for the benefit of such person in connection with the contract (such as the execution of a subcontract with contractor, beneficial treatment under the contract, or the written or unwritten promise of a gift, favor, or other monetary or non-monetary benefit).

¹As used herein, the term "contract" is inclusive of any amendments, modifications or extensions.

²For purposes of this certification, a contractor's "owner" shall mean any person or entity with more than a ten percent (10%) ownership interest in the contractor.

- 5. Neither the contractor, nor any of its owners, partners, directors, officials or employees or, to the best of its knowledge (after due investigation), its representatives or subcontractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation or execution of the contract, in contravention of applicable law.
- 6. Any incorrect, incomplete or false statement made by the contractor's representative as part of this certification shall cause the nullity of the proposed contract and the contractor must reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the proposed contract.

The above certifications shall be signed under penalty of perjury by the Chief Executive Officer (or equivalent highest rank officer) in the following form:

"I hereby certify under penalty of perjury that the foregoing is complete, true and correct."

By: John C. Audi, Executive Vice President

Date: February 4, 2021

Signature:

Redacted Redacted

# CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS

#### INSTRUCTIONS FOR CERTIFICATION

- 1. By signing and submitting this proposal, the CONTRACTOR (referred to herein as the "prospective lower tier participant") is providing the certification set out below.
- 2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
- 3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
- 4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
- 5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
- 6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
- 8. Nothing contained in the foregoing shall be construed to require establishment of a system of

- records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- 9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

# CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AN VOLUNTARY EXCLUSION—LOWER TIER COVERED TRANSACTIONS

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

MasTec Renewables Puerto Rico LLC CONTRACTOR Company Name	Contract Number
John C. Audi	
Name	
Executive Vice President Title	February 4, 2021
Redacted	Date

# CERTIFICATION REGARDING LOBBYING FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS

The undersigned 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 undersigned, 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 undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned 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 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). 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.

CONTRACTOR certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, CONTRACTOR understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

MasTec Renewables Puerto Rico		
CONTRACTOR Name		
Redacted		
Signature of Contractor's Authorized Official		•
John C. Audi, Executive Vice President	February 4, 2021	
Name and Title of Contractor's Authorized Official	Date	

#### PUERTO RICO ELECTRIC POWER AUTHORITY

# MASTER SERVICE AGREEMENT

#### FOR SERVICES RELATING TO EMERGENCY WORKS

AS FIRST PARTY: The Puerto Rico Electric Power Authority, hereinafter referred to as ("PREPA") a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, represented in this act by its Acting Chief Executive Officer/Executive Director, Efran Paredes Maisonet, of legal age, married and resident of Bayamón, Puerto Rico.

AS SECOND PARTY: MasTec Renewables Puerto Rico, LLC ("Contractor"), a Limited Liability Company formed and existing under the laws of Puerto Rico, with a place of business at San Juan, Puerto Rico, herein represented by its Executive Vice President, John Audi, of legal age, married, and resident of Florida, United States, who has authority to enter into this Master Service Agreement ("Contract") by virtue of Corporate Resolution dated of August 18, 2020.

Both, PREPA and Contractor which are hereinafter referred to individually as a "Party" and jointly as "Parties".

# WITNESSETH

WHEREAS, PREPA, by virtue of its enabling act (Act 83), has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA;

WHEREAS, as established in Section 205 (1) of Act 83, all purchases and contracts for supplies or services, except personal services, made by PREPA, including



its capital construction contracts, shall be made by calling for bids with sufficient time before the date the bids are opened so that PREPA can guarantee proper knowledge and appearance of competitive bidders.

WHEREAS, pursuant Section 205 (2) (f) of Act No. 83 a competitive bidding shall not be necessary when in the judgment of the Governing Board, a competitive request for proposal (RFP) process for the acquisition of goods, equipment, materials or services must be carried out to encourage greater competition, reduce the risk of collusion and promote the best possible terms and conditions in benefit of greater savings and reduction of costs and operational expenses of PREPA.

WHEREAS, the Parties have entered into this Contract, and PREPA has entered into master services agreements with a panel of other contractors, to provide an expedited method for engagement and initiation of emergency services to respond to a natural disaster or other emergency in Puerto Rico;

In consideration of the mutual covenants hereinafter stated, the Parties hereby agree as follows:

ARTICLE 1. Scope of Work

#### 1.1 General

The Contractor shall standby and provide procurement, construction, reconstruction, restoration and repair services, including providing all labor, supervision, tools, equipment and materials necessary to perform such services, on an emergency,

Page 2 of 182

as-needed basis at various locations in PREPA's service areas, in accordance with the provisions of this Contract, each Task Order and Applicable Law.

## 1.2 Task Orders

PREPA may, but shall have no obligation to, execute one (1) Task Order for each line, feeder, segment, substation, switchyard, control center, power generation unit or other project. The terms and conditions stated in this Contract shall govern any Task Order, all in accordance and compliance with FEMA guidelines and regulations.

This Contract does not obligate the Contractor to accept any Task Order from PREPA or a PREPA Affiliate, provided that commencement of Work by the Contractor under a Task Order shall be deemed acceptance of such Task Order (and all provisions of this Contract in respect thereof). Furthermore, if the Contractor performs work instructed in writing by PREPA or a PREPA Affiliate, but not specifically included in a Task Order, the Contractor agrees that it shall perform such work under and in accordance with this Contract.

#### ARTICLE 2. Definitions

In this Contract:

Affected Party shall have the meaning set forth in Article 15 (Force Majeure),

Affiliate means, in relation to any Person, a company or entity that directly or indirectly Controls, is Controlled by or is under common Control with such Person.

Applicable Laws means all applicable laws, statutes, regulations, ordinances, constitutions, acts, orders, decrees, licenses, permits, approvals, rules or legislative or

Page 3 of 182

administrative actions of any Governmental Authority, whether of an executive, legislative, judicial, administrative, or other nature, including any ministry, court, department, municipality, city, agency, territory, parish, county or political subdivision thereof or any other duly constituted public authority having jurisdiction over the Contractor or the performance of the Work, including, but not limited to PREPA Overhead Transmission and Distribution Standards, as modified from time to time, or any other applicable PREPA Standard, the latest rules and regulations of the Institute of Electronic and Electrical Engineers (IEEE), National Electrical Manufacturer's Assoc. (NEMA), American Concrete Institute (ACI), American National Standards Institute (ANSI), National Electric Safety Code (NESC), Occupational Safety and Health Administration (OSHA), National Fire Protection Assoc. (NFPA) and EPA and Federal regulations under the Code of Federal Regulations Title 2 Sections 200.317 to 200.321, 200.326, 200.33 and its Appendix II.

Calendar Day shall mean each and every 24 hour day shown on the calendar, beginning and ending at midnight.

Change Order means, for any Task Order, a written agreement between the Parties that sets out changes in price, schedule, or Scope of Work related to such Task Order, and which has been approved by the appropriate PREPA representative pursuant to the general authorization for approval, substantially in the form of Appendix B.

Completion means, for each Task Order, the complete performance by the Contractor of all Work under such Task Order and all other obligations under this Contract (other than any obligations arising during the Warranty Period), including final clean-up of the Site

Page 4 of 182

and rectification of all Punch-List items, in accordance with such Task Order and the terms of this Contract, as evidenced by a Final Acceptance Certificate, issued by the Engineer.

Completion Date means the date in which all tasks and project scope has been completed.

Confidential Information means—each Party's trade secrets, confidential, proprietary, and/or non-public knowledge, know-how, data or other proprietary information or materials, including but not limited to, (i) inventions, ideas, samples, prototypes, assays, devices, hardware, software, materials, electronic components, formulas, patterns, compilations, programs, methods, processes and procedures for producing any such items, as well as data, clinical and pre-clinical results, know-how, improvements, inventions, discoveries, developments, designs and techniques; (ii) information regarding plans for research, development, new products, marketing and selling activities, business models, budgets and unpublished financial statements, licenses, expenses, prices, costs, suppliers and customers; and (iii) information regarding the skills and compensation of employees, advisors, or other consultants of each respective Party.

Construction Manager means the professional assigned by the Contractor to provide the construction management services on the project. This professional shall be a professional engineer registered in Puerto Rico and an active member of the Puerto Rico College of Engineers and Land Surveyors.

Page 5 of 182

Contract means collectively, all the covenants, terms, and stipulations in these articles of agreement, and in all supplementary documents hereto attached which constitute essential parts of the Contract and are hereby made part thereof, to wit:

Contract, as amended from time to time

Special Conditions

Technical Specifications and Drawings enumerated therein

Addenda to Request for Proposals

Request for Proposals

Contractor's Proposal

Performance and Payment Bonds

Letter of Award

Contracting Officer means the Chief Executive Officer/Executive Director of PREPA, acting directly or through its properly authorized representatives.

Contractor has the meaning set forth in the preamble and designates the company that will perform the Services as defined in ARTICLE 1, Scope of Work. The Contractor will be responsible to comply with any applicable condition or recommendations established under all approved permits issued by applicable local and federal regulatory agencies. Contractor shall perform, with his own labor force or organization, work amounting to not less than 25% of the total Contract cost.

Page 6 of 182

Contractor Personnel means the Contractor, its parent, each of their respective affiliates, any Subcontractor, and any of their respective directors, members, managers, officers, employees, representatives, agents, licensees, insurers, and invitees.

Contract Ceiling shall have the meaning set forth in Article 3 (Payment).

Cure Period shall have the meaning set forth in Article 19.2 (Default).

Delay means an event that extends the completion date of the project by affecting tasks on the critical path. The project schedule shall clearly display that the Contractor has used, in full, all the float time available for the work involved with this request.

Default shall have the meaning set forth in Article 19.2 (Default).

Dispute means any claims, controversies and disputes between the Parties arising out of, connected with, or relating to, this Contract, including any dispute regarding the existence, termination or validity of this Contract between the Parties.

Disruption means the effect of events upon a non-critical path that, while using additional recourses and extending the duration of that particular activity, or path of activities, does not extend the end date of the project.

Engineer means PREPA's Transmission and Distribution Director, acting directly or through its properly authorized agents.

Environmental Officer shall be the person designated by the Contractor whose duties shall be the compliance of all environmental impacts and inspections. The Environmental

Page 7 of 182

Officer shall be present at all times on site. All environmental reports shall be sent to the PREPA's Environmental Protection and Quality Assurance Division.

Environmental Compliance Officer means PREPA's personnel in charge of project inspections and environmental regulations compliance.

**Estimated Cost** shall, for any Task Order, have the meaning defined in such Task Order, subject to any adjustment by a Change Order.

**EPA** means the federal Environmental Protection Agency.

EQB means the Puerto Rico Environmental Quality Board.

**FEMA** means the Federal Emergency Management Agency.

Final Acceptance shall mean the written approval by PREPA that, in PREPA's reasonable determination and to PREPA's reasonable satisfaction, the entire work has been completed, the final cleaning up of the site has been performed, and all Punch List items have been rectified.

Final Acceptance Certificate means, for any Task Order, a written certificate, executed by the Engineer, confirming (i) Completion by the Contractor under such Task Order, and (ii) the date of such Completion.

Force Account Work means extra work for which the Contractor delegates the administration to PREPA and that is paid for on the basis of actual costs for labor, materials, equipment, bonds, insurance, and taxes, plus an established allowance, as provided in this Contract or Special Conditions.

Page 8 of 182

Force Majeure Event shall have the meaning set forth in Article 15 (Force Majeure).

Governmental Authority means any court or tribunal in any jurisdiction or any federal, state, county, municipal, local or other federal, state, municipal or local governmental or quasi-governmental body, regulatory body, agency, authority, office, department, commission, board, bureau, public corporation, municipality or instrumentality having jurisdiction over a Party, the Work and/or the Site.

Hazardous Substances means (i) any chemical, substance, material, or waste that is or becomes considered, classified or regulated under any applicable environmental, health or safety Applicable Law as hazardous or toxic or is or may be required to be remediated, including chemicals, products, substances, materials, or wastes defined, listed, or included in the definitions of "hazardous substances," "special waste," "hazardous wastes," "extremely hazardous substance," "solid waste," "medical waste," "regulated substance," "hazardous materials," "toxic substances," "contaminants," "pollutants," or "air contaminant" or any words of similar import under any environmental, health or safety Applicable Law; (ii) hydrocarbons, petroleum, oil, petrochemical or petroleum products, petroleum substances, or any fraction thereof whether in solid, liquid, or gaseous form, (iii) explosives, radioactive materials (including naturally occurring radioactive materials), asbestos containing materials, mercury, polychlorinated biphenyls, urea formaldehyde foam insulation, or radon, or (iv) any other pollution, contamination, material, substance or waste, exposure to which is now or hereafter prohibited, limited or regulated by any

Page 9 of 182

01 182

Governmental Authority, or which may be the subject of liability under environmental Applicable Laws for damages, costs or remediation.

Letter of Award (LOA) means the letter signed by the authorized PREPA representative that notified Contractor, as bidder or proposer, that PREPA accepted its bid or proposal and intended to award this Contract. The LOA also informs the winning bidder or proposer that certain documents must be submitted to PREPA prior to contract execution, such as but not limited to; Corporate Resolution, evidence of payment and certificate of the Puerto Rico State Insurance Fund, municipal license taxes, construction excise taxes, certificate of insurances and endorsements, documents of the Owner Controlled Insurance Program, payment and performance bonds.

Letter of Release means the letter signed by the Contractor's contracting officer and notarized stating that the Contractor is not indebted to any subcontractor, consultant, employee, material and services supplier, federal, state, or territorial agency, municipality, manufacturer, or insurance agency, in connection with the work performed under this Contract. This list is not exhaustive and may be amended by PREPA to include additional relevant individuals or entities.

Non-Affected Party shall have the meaning set forth in Article 15 (<u>Force Majeure</u>).

**Notice to Proceed** means a written order sent to the Contractor by the Contracting Officer, or his designated representative, notifying the Contractor of the date upon which the Contractor is given authority to begin the work.

Page 10 of 182

Owner means the Puerto Rico Electric Power Authority (PREPA).

PREPA has the meaning set forth in the preamble above or if an Affiliate of PREPA issues a Task Order under this Contract, means such Affiliate of PREPA.

Program shall have the meaning set forth in Article 42.1 (General).

**Punch-List** means the list of non-conforming or incomplete work items that are identified by PREPA as been required for the Final Acceptance of the work.

Qualified Bank means, for any Performance Guarantee, a commercial bank or other financial institution located within a country (or other jurisdiction) acceptable to PREPA, which has, as of the date of issuance or renewal of such guarantee, a long term counterparty credit rating of at least "A" by Standard & Poor's Ratings Services and a long term foreign currency deposit rating of "A2" by Moody's Investors Services Inc.; provided that, if such financial institution's ratings match the foregoing minimum ratings, no other credit rating agency shall have placed such financial institution on credit watch with negative implications.

Resident Engineer shall mean an employee of the Contractor who serves as the manager of the field office responsible for the administrative issues, quality control, and technical aspects of the project, among others. This person shall be a professional engineer licensed in Puerto Rico and an active member of the Puerto Rico College of Engineers and Land Surveyors. The Resident Engineer shall be present on site at all times during construction.

Page 11 of 182

Retainage means an amount equal to ten percent (10%) of each payment up to the achievement of Completion under any Task Order, which shall be released in accordance with this Contract.

Safety Officer shall be the person designated by the Contractor whose only duties shall be the prevention of accidents and to implement the Safety and Health Program and the Site Specific Work Plan. The Safety Officer shall be present at all times on site.

Site means, for any Task Order, the location or locations at which the Contractor or any Subcontractor(s) performs Work as described in Schedule 1 of such Task Order.

**Special Conditions** are all applicable special requirements, regulations and/or directions covering conditions peculiar to a particular project that are attached to this Contract.

Subcontract means an agreement with a Subcontractor for the performance of any portion of the Work.

Subcontractor shall mean any subcontractor, supplier, or vendor of Contractor engaged for the purposes of progressing the work under a subcontract with the Contractor and in which the Contractor has no equity interest or profit sharing affiliation. Any such entity in which the Contractor owns equity or has a profit sharing affiliation shall be considered to be the Contractor. Contractor shall comply with requirements set forth on ARTICLE 44, Subcontracting and Assignment.

Substantial Completion shall mean the date, as certified by PREPA, that, in PREPA's reasonable determination and to PREPA's reasonable satisfaction, the Contractor

Page 12 of 182

reaches the stage of completion when PREPA accepts the legal and safe use of the facility or system for its intended purposes, even though all work is not completed. At that stage, the time of completion of the entire work shall cease and also the accruing of penalties. However, the Contractor shall finish the items included in the Punch List and all other pending tasks or requirements of the Contract, as required in the Substantial Completion certificate. Specifically, for this project shall also mean, to the extent applicable to the Work performed by the Contractor under the applicable Task Order, that:

- A. All powerline structures, parts, accessories and electric protections have been installed and tested in compliance with the types, dimensions, locations, and elevations required in the applicable standards, drawings and specifications.
- B. Contractor has submitted all certifications of compliance of field and laboratory tests.
- C. Contractor has submitted all debris and excess soil disposal manifests.
- D. Contractor has submitted and received approval for all equipment's, parts, materials, certifications, and laboratory tests needed to perform the tasks.
- E. Contractor has performed all the repair works required per the task order scope.
- F. Contractor has obtained all requested permits and endorsements, if required.

Page 13 of 182

- G. Contractor has submitted evidence of compliance with all requirements on permits and endorsements, if required.
- H. Contractor has submitted evidence of payment of construction taxes and patents to municipal government, including change orders, if required.
- All concrete structures have been constructed to the required dimensions and tested by Contractor.
- J. All required equipment has been installed and tested by Contractor.
- K. As built drawings have been submitted and signed by a Professional Engineer, licensed in Puerto Rico.
- L. Site is clean.
- M. Contractor has submitted to PREPA all required documents, evidence of payments and any other document required by PREPA, any state or federal governmental agency, any municipality, or required by any permit, etc.

Target Completion Date means, for any Task Order, the target date specified in such Task Order for Completion.

**Task Order** means a written order for Work, issued by PREPA to the Contractor, in the form attached hereto as <u>Appendix A</u>.

Term shall have the meaning set forth in Article 19.1 (Contract Term).

Page 14 of 182

Transfer shall have the meaning set forth in Article 44 (<u>Subcontracting and Assignment</u>).

Warranty Period means, for any Task Order, the period commencing on the date of Completion under such Task Order and expiring [six] (6) months thereafter unless otherwise set forth in such Task Order.

Work means, for any Task Order, all obligations, duties and responsibilities required of the Contractor, described in Schedule 2 of such Task Order, including all labor, goods, materials and services to be provided or performed by the Contractor Personnel from time to time.

Working Day means each day Monday through Friday and hours from 7:00 AM to 11:30 AM and from 12:30 PM to 4:00 PM.

## ARTICLE 3. Payment

#### 3.1 General

PREPA shall pay the Contractor for the Work performed under each Task Order on a time and materials basis, subject to the Work fully complying with all the terms, conditions, and specifications of this Contract and such Task Order, based on the rates set out in Appendix E (Rates).

#### 3.2 Contract Ceiling

As compensation for Work performed under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed three million dollars (\$3,000,000) (the "Contract Ceiling"). PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract Ceiling unless otherwise

Page 15 of 182

agreed to by the Parties in writing. The Contractor will be solely responsible for any work it or any of its Subcontractors, if any, does in excess of the Contract Ceiling. All payments shall be made after the approval of the Contract Release, plus any additional amount to be paid due to extra work ordered and accepted by the Engineer and approved by the Contracting Officer, according to ARTICLE 9, Changes Orders, below.

The Contractor shall immediately notify PREPA when the aggregate billing under the Contract amounts to seventy-five percent (75%) of the Contract Ceiling. In addition, the Contractor shall present an itemized list of the remaining billable Work under the Contract.

## 3.3 Invoices

Within [ten (10)] days after the end of any month in which Work was performed by the Contractor, the Contractor shall submit to PREPA an invoice for all Work performed during the prior month, if any, which invoice shall be in the amount equal to the payment due for such completed Work, less Retainage to be withheld (if any). For the avoidance of doubt, in the event the Contractor completed Work under multiple Task Orders in the previous month, the Contractor shall submit separate invoices for the Work performed under each Task Order. Each invoice shall also include amounts properly due and owing for Work performed during the prior month pursuant to any Change Orders issued pursuant to this Contract or the applicable Task Order, less Retainage. The Contractor shall submit invoices to the following address:

Page 16 of 182

Puerto Rico Electric Power Authority, Accounts Payable Section, PO Box 70253, San Juan, Puerto Rico 00936-0253

### 3.4 <u>Invoice Requirements</u>

Each invoice shall be (i) approved by the Engineer, in its reasonable determination, within ten (10) days after PREPA's receipt of Contractor's invoice (ii) submitted with all reasonably necessary documentation supporting the Contractor's request for payment, including technical support documentation (including for required tests), inspection certifications, work reports, third-party invoices, the actualized progress schedule, Scurve graph, and any Special Conditions specific to a particular Task Order, (iii) include sufficient line item detail for PREPA to reasonably verify the basis of the charges, including quantities, disaggregated activities, services and tariffs pursuant to the relevant Task Order, detailed records regarding hours worked by each member of the Contractor's Personnel and pricing, (iv) include all certifications required by this Contract, including Davis-Bacon Act compliance. Upon PREPA's reasonable request, the Contractor shall furnish such other supporting documentation and certificates and provide such further information as may be reasonably requested by PREPA. No invoices shall be accepted for evaluation without the required documents and approvals. As an essential requirement of any invoices submitted to PREPA, without which such invoice will not be processed for payment, all invoices submitted by the Contractor shall include the following certification signed by its duly authorized representative,

Page 17 of 182

#### No Interest Certification:

"We certify under penalty of nullity that no public servant of PREPA will derive or obtain any benefit or profit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the Services provided is the agreed-upon price that has been negotiated with an authorized representative of PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received."

Contractor's Signature

### 3.5 Payment Disputes

Unless otherwise provided in this Contract or a Task Order, and subject to Retainage, PREPA shall remit payment for undisputed portions of the Contractor's invoices within forty-five (45) days after PREPA's receipt of an approved invoice and all supporting documentation required under this Contract. If PREPA disputes an invoice amount for any reason, then PREPA shall notify Contractor in writing, remit payment for all undisputed amounts, and the Dispute shall be resolved pursuant to Article 31 (Disputes). Payment of disputed amounts shall be made no more than ten (10) days after such Dispute is resolved. Any amounts due but not paid by PREPA hereunder shall bear interest at the lesser of (i) an annual rate equal to the prime rate published by the Wall Street Journal, or (ii) the maximum rate permitted under Applicable Laws. All amounts contained herein are in and shall be paid in U.S. Dollars. PREPA may, in its reasonable discretion and upon prior written notice to the Contractor explaining the reasons therefor,

offset any amount due and payable by the Contractor to PREPA against any amount due and payable to the Contractor hereunder.

The funds for the payment of the Work performed by the Contractor will be paid from account 01-1747-17595-555-474.

#### 3.6 Retainage

All payments made by PREPA for equipment and/or materials delivered and accepted and/or services rendered and work performed under this Contract will be charged to a construction estimate. In making such payments, PREPA shall retain ten percent (10%) of each payment until final completion and acceptance of all work covered by the Contract. For each Task Order, PREPA shall pay to the Contractor all Retainage in respect of such Task Order, minus the corresponding deductions (if any), within a reasonable period of time after the latest to occur of (i) the issuance of the Final Acceptance Certificate for the Work under such Task Order and (ii) receipt by PREPA from the Contractor of the final certifications, an invoice for such payment, and a duly-signed and notarized Deed of Release from the Contractor and each Subcontractor, in the form set for in Appendix D.

#### 3.7 Effect of Payment

No payment of invoices or portions thereof shall at any time constitute approval or acceptance of the work under this Contract, nor be considered to be a waiver by PREPA of any of the terms of this Contract. However, title to all materials and equipment to the extent that payments have been received, whether or not the same have been

Page 19 of 182

incorporated in the work, shall vest in PREPA and, in any case, shall not be part of Contractor's property or estate in the event the Contractor is judged a bankrupt or makes a general assignment for the benefit of creditors, or if a receiver is appointed on account of the Contractor's inventory.

# 3.8 Effectiveness

This Contract shall enter into full force and effect upon its filing by PREPA at the Office of the Comptroller of the Commonwealth of Puerto Rico, in compliance with Act of October 30, 1975, No. 18, as amended.

# ARTICLE 4. Commencement and Performance of Work

# 4.1 General

Upon the Contractor's receipt of an executed Task Order for Work, the Contractor shall immediately commence the performance of the Work and exercise its reasonable efforts to achieve Completion by the Completion Date in the applicable Task Order, and continue such operations diligently and without delay, in conformity with the specifications and requirements contained herein and in such Task Order. The Contractor specifically acknowledges that time is of the essence in the performance of all obligations under this Contract and that the Contractor has the capacity and personnel to commence with the performance of Work within a commercially reasonable period of time after Contractor receives an executed Task Order. If the Contractor fails to commence with performance of Work in such period, PREPA shall have the right to (i) cancel such Task Order without any liability whatsoever, and (ii) engage a third party to perform such

Page 20 of 182

Work and shall notify the Contractor accordingly. Notwithstanding anything provided on this Contract regarding Completion of the Work, the Contract may be extended for additional periods of ninety (90) calendar days, if PREPA notifies the Contractor of PREPA's interest in such extension in writing within thirty (30) calendar days prior to the expiration of the original term and the Parties reach an agreement regarding the rates applicable during the extension term prior to the expiration of the original term.

# 4.2 Documentation Requirement

The Contractor shall, within ten (10) working days after its receipt of the Letter of Award (LOA) signed by the Engineer, make commercially reasonable efforts to furnish all documents reasonably required therein.

## 4.3 Schedule Obligations

The Contractor shall comply with all scheduling obligations and perform all Work in accordance with the schedule agreed upon under each Task Order, including the Completion Date, and as modified by any Change Order. Within a reasonable period of time after Contractor's receipt of an executed Task Order, the Contractor shall prepare and submit to PREPA for its review and written acceptance a detailed schedule for the performance of the Work. This progress chart and statement of operations shall show the dates of commencement and completion of each item of the work. This schedule shall also include the milestones for the submittals and material ordering, the critical path of the project, and the labor hours per item. If said progress chart and/or statement of operations are not satisfactory to the Engineer, they shall be revised by the Contractor to

Page 21 of 182

provide for the use of adequate and sufficient equipment and labor force and a method of operations which will assure the completion of the work within the required time. This information shall become a part of this Contract after the Engineer has approved it in writing. PREPA's review or acceptance of the schedule shall not relieve the Contractor of any obligations for the performance of the Work nor shall it be construed to establish the reasonableness of the schedule, but PREPA shall be entitled to reasonably rely upon the baseline schedule, including reliance that the Contractor has developed a comprehensive, reasonable and accurate schedule to plan, organize, direct, coordinate, perform, execute and complete each portion of the Work within the times set forth in the Task Order. After acceptance by PREPA of the baseline schedule, the Contractor shall manage and update such schedule no less frequently than once per month to reflect the actual progress to date. The Contractor shall provide all supporting data necessary to validate the progress shown in each such schedule update. The Contractor shall promptly correct any errors or inconsistencies in the updates to the schedule identified to the Contractor by PREPA and resubmit a corrected monthly updated schedule for PREPA's review.

#### 4.4 S-curve Graph

The Contractor, within fifteen (15) days after execution of a Task Order, shall file with the Engineer the S-curve Graph. The S-curve shall be plotted with the percent of work completed in the Y-axis and the cost in the X-axis. This graph shall be based on the proposed schedule as define on Section 4.3 above.

Page 22 of 182

## 4.5 Contract Quantity Report

The Contractor shall submit weekly and for approval, to the Engineer, the contract quantity report sheet. This sheet will be given to the Contractor at the preconstruction meeting.

## ARTICLE 5. Suspension of Work

The Contracting Officer or the Engineer may, at any time and with prior written notice to the Contractor, suspend the whole or any portion of the Work under a Task Order, but this right to suspend the Work shall not be construed as denying the Contractor actual reasonable, and/or necessary expenses due to any delays caused by such suspension, it being understood that such expenses shall not be allowed for such suspension to the extent ordered by the Contracting Officer or the Engineer on account of a Force Majeure Event, as defined in Article 15 (Force Majeure), herein below. The cause of such suspension shall be set forth in writing by the Contracting Officer, the Engineer or the designated representative within two (2) Working Days after the suspension. In the event any such suspension continues for ten (10) days or more, the Contractor shall have the option to terminate the Contract and/or any Task Order immediately, in which case PREPA shall pay the Contractor for all Work performed through the date of termination calculated in accordance with Contractor's proposal as well as all expenses and costs incurred by the Contractor as a result of such

suspension, including, but not limited to, all expenses and costs incurred for demobilization and termination fees for facility/yard leases in Puerto Rico.

### ARTICLE 6. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts in connection with this project. The Contractor shall afford PREPA and any other contractor reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate its work with theirs. If any part of the Contractor's work depends for proper execution or results upon the work of PREPA or of any other contractor, the Contractor shall visually inspect and promptly report to PREPA any readily observable defects in such work or any conflicts between such work and that of the Contractor, PREPA to decide, if necessary, the course to be followed by each party.

Wherever work being done by PREPA's own forces or by other contractors is contiguous to work covered by this Contract, the respective rights of the various interests involved shall be established by PREPA to secure the completion of the various portions of the work in general harmony. Whenever, in the reasonable opinion of PREPA, the orderly progress of the entire project requires the use by PREPA's own forces or by other contractors of construction equipment installed and operated by the Contractor for its own use, PREPA will arrange with the Contractor for such use, at times, and in locations which will not interfere with the work being done under this Contract. Contractor shall not be responsible for any loss or damage arising from, related to, or resulting from

Page 24 of 182

PREPA's or other contractors' use of any construction equipment installed and operated by the Contractor. PREPA shall be responsible for the condition and proper use of any construction equipment installed and operated by the Contractor, any damages or injuries arising from such use, and any cost associated with the repair or replacement of such equipment.

## ARTICLE 7. Submittals

The Engineer shall be allowed five (5) days to evaluate and review submittals and mark them as disapproved, approved as corrected, or approved. The Contractor is responsible to submit three sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation.

Before commencement of any Work required under this Contract, the Contractor shall submit for PREPA's approval, as required in ARTICLE 42, Safety Provisions, its Occupational Safety and Health Program.

#### ARTICLE 8. Specifications and Drawings

PREPA reserves the right to review and approve any drawings, specifications, methods, and data prepared or generated by the Contractor under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the working area a copy of the Contract, its supplementary documents, and shall, at all times, give the Engineer access thereto. In case of any reasonably discoverable discrepancy in the specifications and drawings, the matter shall immediately be submitted to the Engineer, without whose decision said discrepancy in the

Page 25 of 182

specifications and drawings shall not be adjusted by Contractor, and Contractor shall not proceed with the work affected thereby until it has received written orders from the Engineer. The Engineer will, from time to time, furnish such additional detailed drawings or other information as it may consider necessary for carrying out the work.

### ARTICLE 9. Changes Orders

## 9.1 General

No amendments, changes, or modifications to the scope of Work under any Task Order, shall be valid except by a Change Order signed by PREPA and the Contractor. PREPA may make and the Contractor may request changes in the Work to be performed under a Task Order or within the general scope of this Contract at any time through a Change Order, provided that no changes shall be made to the scope of the Work that would render the costs incurred in the performance of this Contract unallowable or not allocable under, or outside the scope or not reasonable for the completion of, federal grant awards from FEMA, HUD or any other U.S. federal agency. Each Change Order shall provide for an equitable adjustment to both the Estimated Cost (if any) of the relevant Task Order and agreed schedule under a Task Order (including the Completion Date) for the performance of the additional Work resulting from the adjustment to the scope of Work under such Change Order. Except as herein provided, and with the time frames stated, no order, statement, or conduct of PREPA shall be treated as a change under this section or entitle the Contractor to an equitable adjustment hereunder.

Page 26 of 182

of 182

If agreement on the prices for the extra work cannot be reached between PREPA and the Contractor, PREPA may order in writing the Contractor to perform the required work on a force account basis on a mutually agreeable percentage and the Contractor shall then execute the order. PREPA may also elect to have such work performed by its own forces or by separate contract.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a change in the work by PREPA, except those so minor that their propriety can be seen by inspections, shall include a complete itemization of the costs including labor, materials, equipment, and subcontracts. When subcontractors perform major cost items, they shall also be itemized.

## ARTICLE 10. Inspection

#### 10.1 Daily Inspections

Unless otherwise set forth in the Task Order, during the progress of Work, the Engineer or its authorized representatives shall make daily inspections to evaluate all Work as established and accepted by PREPA to ensure the Contractor's compliance with the Task Order and with any power line specifications. All Work shall be executed, performed and built in full compliance with PREPA's electrical codes and any other special

requirement established prior to the commencements of Work. The relevant Sites shall be marked with cones and signs visible from the nearest road to identify crew location.

# 10.2 Approval by PREPA

All Work performed under a Task Order by the Contractor is subject to inspection and approval by PREPA. Any Work not meeting PREPA's or generally accepted power line construction standards or turned in falsely shall be redone at no cost to PREPA. If subsequent inspections are required after the initial follow up, the actual cost of such inspections shall be billed to the Contractor. The presence of PREPA personnel shall not in any way alter, modify, or lessen the obligation of the Contractor to comply with the requirements of any Task Order or this Contract. Any inspection by PREPA personnel shall not be considered as an acceptance or waiver of warranty or other rights of the inspected Work.

### 10.3 Work Correction

The Contractor shall correct all Work reasonably deemed by PREPA as failing to conform to the Task Order or power grid construction specifications provided by PREPA to the Contractor pursuant to the previous paragraphs within two (2) days of the Contractor's receipt written notice from PREPA. The Contractor shall promptly remedy the lack of performance and execute the Work in accordance with the specifications, without expense to PREPA. If the Contractor fails to correct Work deemed by PREPA as defective within two (2) days after the Contractor's receipt of written from PREPA, PREPA may correct such Work at the expense of the Contractor. Such actual, documented, and

Page 28 of 182

reasonable expense may be deducted by PREPA from any payments due or to become due to the Contractor or, if final payment has been made, the Contractor shall reimburse PREPA such amounts.

# 10.4 Readiness for Inspection

The Contractor shall give notice to PREPA whenever any Work becomes ready for inspection and before it is covered up, put out of site or packaged for storage and/or transportation, and PREPA may decide to inspect it. If the Contractor fails to give notice, if and when instructed by PREPA, the Contractor shall uncover the Work and reinstate it at its own expense. The inspection or non-inspection of any portion of the Work by PREPA shall not constitute approval or acceptance thereof and shall not relieve the Contractor from any obligation under this Contract or applicable Task Order. The Contractor shall permit all persons appointed or authorized by PREPA to visit and inspect the Work, or any part thereof at all times, and places during its progress.

## ARTICLE 11. Completion

#### 11.1 General

The Contractor shall, for each Task Order, complete the Work under such Task Order in a diligent manner and exercise its reasonable effects to achieve Completion by the Target Completion Date specified in such Task Order.

## 11.2 Acceptance of Work

Upon completion of all Work under a Task Order, the Contractor shall certify and represent to PREPA in writing that all of the requirements under the applicable Task Order

Page 29 of 182

and this Contract have occurred (except for those obligations that continue after Completion). PREPA shall notify the Contractor whether it accepts or rejects such Completion certification within fifteen (15) days following PREPA's receipt thereof. If PREPA accepts that Completion occurred, PREPA shall issue a Final Acceptance Certificate. If PREPA does not agree that Completion has occurred, then PREPA shall state the basis for its rejection in reasonable detail in a written notice provided to the Contractor. The Parties shall thereupon promptly and in good faith confer and make all reasonable efforts to resolve such issue. In the event such issue is not resolved within fourteen (14) days of the delivery by PREPA of its notice, PREPA and the Contractor shall resolve the Dispute in accordance with the dispute resolution process provided in Article 31 (Disputes) of this Contract; provided, however, if such deficiencies relate to the failure to complete Punch-List items, PREPA may, in addition to any other rights that it may have under this Contract or the Task Order, at law or in equity, complete such Punch-List items at the expense of the Contractor in accordance with Article 11.3 (Punch-List). No acceptance by PREPA of any or all of the Work or any other obligations of the Contractor under this Contract or a Task Order, including acceptance of Completion shall in any way release the Contractor from any obligations or liability pursuant to this Contract or a Task Order.

#### 11.3 Punch-List

Reasonably in advance of the Target Completion Date for any Task Order, the Contractor shall notify PREPA in writing, and PREPA and the Contractor shall inspect the

Page 30 of 182,

Work related to such Task Order. The Contractor shall prepare a proposed Punch-List of items identified as needing to be completed or corrected as a result of such inspection to achieve Completion. The Contractor shall promptly provide the proposed Punch-List to PREPA for its review and written approval, together with an estimate of the time and cost necessary to complete or correct each Punch-List item. The Contractor shall add to the proposed Punch-List any Punch-List items identified by PREPA during its review, and the Contractor shall immediately initiate measures to complete or correct, as appropriate, any item on the Contractor's proposed Punch-List or otherwise that PREPA, in the exercise of its reasonable judgment, believes must be completed or corrected to achieve Completion of the Work. This Punch-List shall include all environmental concerns for restorations and/or mitigations.

### 11.4 Partial Occupancy and Use

Prior to Completion under any Task Order, PRÉPA may occupy or use all or any portion of the Work then capable of functioning safely. Such occupancy or use shall not in any way release the Contractor or from any obligations or liabilities under this Contract or such Task Order, including the obligation to complete the Work by the Target Completion Date, nor shall such occupancy or use be deemed to be an acceptance by PREPA of such portion of the Work.

#### 11.5 Risk of Loss

Notwithstanding the passage of title as provided in Article 11.6 (<u>Transfer of Title</u>), the Contractor bears risk of loss to the Work under a Task Order until PREPA accepts in

Page 31 of 182

writing that Substantial Completion of the Work under the applicable Task Order has occurred. Until Substantial Completion of the Work under the applicable Task Order, the Contractor shall have the responsibility to replace, repair or re-construct the Work under the applicable Task Order which has become lost, stolen, damaged or destroyed prior to Substantial Completion, except to the extent such loss, damage, or destruction results from a Force Majeure Event.

### 11.6 <u>Transfer of Title</u>

Title to all Work completed under a Task Order, and to all materials, equipment, tools, apparatus, and supplies (except the Contractor's tools, equipment, and supplies), shall pass to and vest in PREPA upon the payment by PREPA therefor (regardless of whether, in the case of such materials, equipment, tools apparatus or supplies, having become a part of the Work or used in the construction thereof). Said transfer of title shall not affect PREPA's rights as set forth in other provisions of the Contract.

#### 11.7 Clean-up

Within fifteen (15) days after Completion of any Task Order, the Contractor shall remove its material, equipment, construction debris, and refuge from the Site and clean up the Site and any adjacent environmental areas impacted by the Contractor's Work, all in a good and workmanlike manner. If the Contractor fails to remove its material, equipment, debris and refuge and clean up the Site and any adjacent environmental areas impacted by the Contractor's Work within fifteen (15) days after completion of the Work or within five (5) days after it receives a request from PREPA, PREPA shall have

Page 32 of 182

the right to remove the same and clean up the Site and any adjacent environmental areas impacted by the Contractor's Work and the Contractor shall be liable for and pay to PREPA (directly or by offset, at PREPA's sole discretion) all costs associated with such removal and/or restoration, including costs associated with permitting, transportation and disposal at an authorized location.

# ARTICLE 12. Superintendence by the Contractor

Before commencement of the work, the Contractor shall designate a competent Construction Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide construction management services. The Contractor shall also have a competent Resident Engineer, satisfactory to the Engineer, on the work site, at all times, during progress of the work, with authority to act for the Contractor. The Resident Engineer shall only be assigned to this project. The Construction Manager and Resident Engineer shall represent the Contractor and all directions given to them by the Engineer shall be as binding as if given to the Contractor. The Contractor shall, at all times, enforce strict discipline and good order among its employees and shall not employ on the work any unsuitable or unskilled person in the work assigned to him. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for such acts or omissions.

Page 33 of 182

## ARTICLE 13. Sanitary Facilities

The Contractor shall furnish and maintain satisfactory, sanitary facilities for the use of the workmen engaged in the construction, as required by law or regulations. Also, the Contractor shall maintain a record of the company sanitary services waste disposal in the event that it is required by environmental regulatory agencies.

## ARTICLE 14. Access to Work

The Contractor shall permit all persons appointed or authorized by PREPA to visit and inspect the work, or any part thereof at all times, and places during the progress of it.

#### ARTICLE 15. Force Majeure

#### 15.1 Definition

In this Contract, "Force Majeure Event" means any event or circumstance not within the reasonable control, directly or indirectly, of the Party affected ("Affected Party") resulting in or causing a total or partial failure by the Affected Party to fulfill any of its obligations under this Contract to the extent that:

- A. such circumstance, despite the exercise of reasonable diligence, cannot be or could not have been prevented, avoided or removed by the Affected Party;
- B. the Affected Party took, or has taken, all reasonable precautions, due care and reasonable alternative measures in order to (i) avoid the effect of such

Page 34 of 182

event or circumstance on the Affected Party's ability to perform such obligation under this Contract, and (ii) mitigate the consequences thereof;

- C. such event or circumstance did not directly result from the breach by the Affected Party of any of its obligations under this Contract; and
- D. the Affected Party made reasonable efforts to inform the other Party ("Non-Affected Party") notice, no later than seven (7) days after the date of occurrence of such event or occurrence.

A Force Majeure Event may include events or circumstances of the kind listed below, so long as conditions (A) to (D) above apply:

- acts of war, invasion or act of foreign enemy, or acts of terrorism, acts of rebellion, riot, and civil commotion;
- 2. blockade, embargo, rationing, or strikes of a political nature;
- any public agitation which prevents construction or operation
  activities of the Project for a continuous period exceeding
  fourteen (14) days other than public agitation by the
  Contractor's personnel and other employees of the Contractor
  and Subcontractors,
- fire, explosion or flood, whether cause by natural calamity or otherwise, earthquake, lightning, storm, typhoon, tornado or other natural calamity;
- 5. epidemic or plague; and

 any act of sabotage, strikes or works to rule or go-slows (in each case other than by employees of the Affected Party).

Notwithstanding the foregoing, Force Majeure Event shall not include:

- bankruptcy of a Party or any of its subcontractors or suppliers at any tier;
- 2. breakdown or defect of temporary works or the Contractor's equipment or any subcontractor's equipment, other than breakdown caused by a separate event of Force Majeure;
- any changes in prevailing market prices for goods, fuel or labor;
- 4. any failure by a Party to obtain and/or maintain a permit or approval contemplated by the Contract;
- strikes, lockouts, works to rule, go-slows and other industrial disturbances by employees of the Contractor or its Subcontractors or suppliers; or
- 6. any failure by PREPA to obtain and/or maintain appropriate financing for the Project.

# 15.2 Notice

If a Party reasonably believes that an event or circumstance qualifies as a Force Majeure Event, then it shall give notice thereof to the other Party and shall specify the obligations affected by such event or circumstance. The affected party shall make all

Page 36 of 182

reasonable efforts to inform the second party, no later than seven (7) days after the event or circumstance. The Party shall, having given notice, be excused performance of such obligations for so long as such Force Majeure Event prevents it from performing them. Notwithstanding any other provision of this Article, a Force Majeure Event shall not form a basis to suspend the performance of obligations of either Party to make payments to the other Party under the Contract.

# 15.3 Duty to Minimize Delay

Each Party shall at all times use all reasonable efforts to minimize any delay in the performance of the Contract as a result of Force Majeure Event. A Party shall give Notice to the other Party when it ceases to be affected by the Force Majeure Event.

### 15.4 Consequences

The Affected Party shall be excused from performance and shall not be construed to be in default in respect of the Contract for so long as, and to the extent that, such failure to perform is due to a Force Majeure Event. To the extent that a Force Majeure Event affects PREPA, any period within which PREPA shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which PREPA was unable to perform such action as a result of such event. To the extent that a Force Majeure Event affects the Contractor, and the Contractor suffers delay, the Contractor shall be entitled to a Change Order with an extension of the Completion Date and to the extent that a Force Majeure Event affects the Scope, Schedule or Cost of the project; the

Page 37 of 182

Contractor may present a Change Request with detailed evidence explaining the impact of the applicable Task Orders as a result of any such delay.

#### ARTICLE 16. Delays

- 16.1 In case of delay, the Contractor shall within ten (10) days from the beginning of any such delay notify the Engineer in writing of the causes of delay and any cost impacts, who shall ascertain the facts and the extent of the delay and equitably extend the time for completing the Work and notify the Engineer in writing of the causes of delay and its impact in the project scope, schedule and cost. The Engineer shall ascertain the facts and determine if there is reasonable justification to approve such an extension. The Engineer findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal by the Contractor as provided herein.
- 16.2 If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue the work, in which event shall continue to pay to PREPA the penalty in the amount set forth above for each calendar day of delay until the work is completed, and the Contractor and his sureties shall be liable for the amount thereof; provided that, the right of the Contractor to proceed shall not be terminated or the Contractor charged with a penalty because of any delays in the completion of the work due to Force Majeure events or situations, or failures on the part of PREPA to carry out its obligations.
- 16.3 PREPA shall have the right to the payment or to the withholding of Contractor's payments in case of Contractor's delay in completion of the work. The

Page 38 of 182

Contractor agrees that the penalty shall not be subject to reduction, moderation or modification, since this penalty is a pecuniary punishment for the delay, and not a liquidation of damages.

### ARTICLE 17. Liabilities

### 17.1 <u>Civil Responsibility</u>

The Parties agree that their respective responsibilities for damages under this Contract shall be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico.

### 17.2 Indirect or Consequential Damages

The Contractor shall not be responsible for indirect or consequential damages that may occur in relation to the Work performed.

### 17.3 Protection Against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and sufficient precautions, safeguards, and protection against the occurrence of injuries, death and/or damages to any person or property during the progress of the Work. In the performance of its obligations under the Contract, the Contractor agrees to comply with all Applicable Laws. Notwithstanding the foregoing or anything to the contrary in this Contract, the Contractor shall not be responsible or liable for any injuries, death, or damages except to the extent Contractor causes such any injuries, death, or damages.

### 17.4 Indemnify and Hold Harmless Clause

Each Party (the "Responsible Party") shall indemnify and hold harmless other Party and its officers, directors, agents, and employees ("Indemnified Party") from and against all third party claims, losses, expenses, or costs of any nature (including reasonable attorneys' fees and costs) for personal injuries, including property damage or death, sustained by such third party, including the employees of the Contractor or PREPA, and for damages to third party property to the extent such third party injuries, death, or damages are caused by negligent or intentional acts or omission of the Responsible Party or its Subcontractors or affiliates.

### 17.5 PREPA's Equipment

If the Contractor chooses to use PREPA's equipment, then the Contractor shall be responsible for the condition, proper use, any damages or injuries arising from such use, and any cost associated with the repair or replacement of such equipment. If PREPA furnishes any material or equipment to be incorporated into the Work, the Contractor shall visually inspect all materials and equipment furnished by PREPA (if any) for use in the Work for damage, or insufficiency in quantity or kind for performance of the Work. If any such materials or equipment is damaged or insufficient in number or kind or is otherwise defective, the Contractor shall notify PREPA of any such damage, insufficiencies or defects therein before using materials and equipment provided by PREPA. Should the Contractor use such materials and equipment without notifying PREPA of any defect, the

0

Contractor shall be deemed to have assumed all risk and liability for such material or equipment.

The Contractor shall indemnify PREPA and hold it harmless from any third party claim, loss, expense, or liability imposed upon PREPA for any injury to a person, including death, or damage to any property to the extent resulting from the operation of PREPA's equipment by the Contractor.

### 17.6 Contractor's Liability

The overall aggregate liability of the Contractor with respect to any and all claims arising out of the performance or non-performance of the Contractor's obligations under the Contract, regardless of any legal theory or cause of action under which such liability may arise, shall not exceed one hundred percent (100%) of the Contract Ceiling (which includes Change Orders). However, the foregoing dollar limitation shall not apply to liability arising from third party claims for bodily injury or third-party property damage to the extent such liability results from the Contractor's fault or negligent acts or omissions while performing Work under the Contract.

#### ARTICLE 18. Independent the Contractor

The Contractor shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by the Contractor for the performance of its obligations herein, shall be considered as its employees or agents or those of its Subcontractors, and not as employees or agents of PREPA. In

Page 41 of 182

consequence, the Contractor is not entitled to any labor benefits, including, but not limited to: vacations, sick leave, and others.

ARTICLE 19. Term and Termination

# 19.1 Contract Term

This Contract shall (i) enter into full force and effect on the date of this Contract, and (ii) unless extended by both Parties for an additional year or terminated earlier in accordance with its terms, expire on the first anniversary of the date of this Contract (the "Term"). Task Orders shall continue in effect until completion of the Work or termination by PREPA or the Contractor pursuant to the terms of the Task Order and this Contract.

# 19.2 Default

Without limitation to any of the provisions in Article 47 (Compliance with Applicable Federal Law, Regulations and Executive Orders), provided PREPA is not in default of its payment obligations under this Contract, the Contractor shall be in "Default" if, in the reasonable judgment of PREPA, the Contractor shall at any time: (i) fail or neglect to carry out the Work in accordance with this Contract or any Task Order in a diligent, efficient, workmanlike, skillful or safe manner; (ii) fail to commence or complete the Work in accordance with the provisions of this Contract, including any Task Order; (iii) abandon the Work under any Task Order except as otherwise permitted in this Contract; (iv) repudiate any of its obligations under this Contract or any Task Order; (v) fail to use an adequate amount or quality of personnel or construction equipment to perform the Work Page 42 of 182

1102

without delay; (vi) fail to maintain insurance required under this Contract; (vii) make changes to key personnel in violation of this Contract; (viii) fail to submit or maintain the Performance Guarantee, or otherwise fail to comply with Article 20 (Insurance and Bonds); (ix) cause, by any action or omission, any material stoppage or delay of or interference with the work of PREPA or its other contractors or subcontractors except as otherwise permitted in this Contract; (x) commit willful misconduct; (xi) fail to make payments to Subcontractors for labor or materials owed in accordance with the respective Subcontracts to the extent the Contractor has received payment from PREPA for the Work performed by such Subcontractors; (xii) disregard Applicable Laws or applicable codes and standards; (xiii) materially fail to comply with any provision of this Contract or a Task Order; (xiv) become insolvent, or appoint a receiver, make a general assignment or filing for the benefit of creditors or file for bankruptcy protection; or (xv) commit any action or inaction identified as a Default under this Contract. Following the Contractor's receipt of PREPA's written notice to the Contractor specifying the nature of the Default, unless the Contractor cures such condition within the applicable Cure Period, PREPA, at its sole option and without prejudice to any other rights that it has under this Contract, at law or in equity and with prior written notice to the Contractor, may (1) take such steps as are necessary to overcome the Default condition, in which case the Contractor shall reimburse PREPA for any and all actual, documented, and reasonable costs and expenses (including all reasonable attorneys' fees, consultant fees and litigation expenses) incurred by PREPA in connection therewith, or (2) terminate for

Page 43 of 182

Default the Contractor's performance of all or any part of the Work under a Task Order, or this Contract as a whole. The applicable "Cure Period" with respect to items (i) through (xiii) in the list of Defaults in this Article 19.2 (Default) shall be fourteen (14) days after receiving written notice from PREPA to commence and continuously pursue the correction or cure of any such Default, but if the Default cannot be cured with the exercise of reasonable diligence within such fourteen (14) day period, then the Cure Period shall be a total of twenty-eight (28) days after receipt of PREPA's written notice. There is no cure period for any other Default except as expressly stated in this Article 19.2 (Default). PREPA shall be in Default if PREPA at any time: (xvi) fails to make any payment under any Task Order when due and fails to cure such non-payment within ten (10) days of receipt of written notice from the Contractor or (xvii) fails to perform any of PREPA's other obligations under this Contract, and fails to cure such non-performance within thirty (30) days of receipt of written notice from the Contractor, or if such non-performance cannot be cured within thirty (30) days, then failure to begin cure. The Contractor shall have all rights and remedies provided herein, as well as the right to pursue any and all rights in law or equity, including but not limited to terminating this Contract.

### 19.3 Available Remedies

The foregoing right of termination shall be in addition to each Party's rights and remedies available at law, at equity or otherwise available under this Contract, and to be reimbursed for all actual, documented, and reasonable damages, losses, costs and

Page 44 of 182

expenses incurred by either Party arising out of or resulting from a Default by the other Party subject to Article 17.2 (Indirect or Consequential Damages).

# 19.4 Contractor Obligations Upon Default Termination.

Upon termination for Default, the Contractor shall (i) immediately discontinue Work on the date and to the extent specified in the notice, (ii) place no further orders for Subcontracts, equipment, or any other items or services except as may be necessary for completion of such portion of the Work as is not discontinued, (iii) inventory, maintain, and turn over to PREPA all materials furnished by the Contractor and paid for by PREPA or other items provided by PREPA for performance of the terminated Work, (iv) promptly make every reasonable effort to procure assignment or cancellation upon terms satisfactory to PREPA of all Subcontracts, purchase orders, and rental agreements to the extent they relate to the performance of the Work that is discontinued; (v) cooperate with PREPA in the transfer of Work, including drawings, permits, licenses and any other items or information and disposition of Work in progress so as to mitigate damages; (vi) comply with other reasonable requests from PREPA regarding the terminated Work; and (vii) thereafter execute only that portion of the Work not terminated (if any) and that portion of the Work as may be necessary to preserve and protect Work already in progress and to protect equipment and materials at the Site or in transit thereto, and to not violate any Applicable Laws and any applicable codes and standards. In the event of PREPA's termination for Default, Contractor shall be entitled to recover from PREPA the payment for any Work performed by Contractor prior to its receipt of written notice of termination

Page 45 of 182

by PREPA, all costs and expenses incurred for demobilization, and any termination fees for facility/yard leases in Puerto Rico as calculated pursuant to Contractor's Proposal.

# 19.5 Rights to Terminate for Convenience

Either Party shall have the right to terminate for convenience the performance of all or any part of the Work under a Task Order, or this Contract as a whole, by providing the other Party no less than ten (10) days prior written notice of termination. Upon termination for convenience by PREPA, the Contractor shall be paid (a) for all the Work performed (the basis of payment being based on the terms of this Contract) prior to date of termination, less that portion of the price under the applicable Task Order previously paid to the Contractor (including down payments, if any, made under any Task Order), plus (b) reasonable direct close-out costs submitted in accordance with this Article 19.5 (Right to Terminate for Convenience), mobilization, third party cancellation, and demobilization costs and fees as well as any termination fees for facility/yard leases in Puerto Rico but in no event shall the Contractor be entitled to receive any amount for unabsorbed overhead, contingency, risk, or anticipatory profit. The Contractor shall submit all reasonable direct close-out costs to PREPA for verification and audit within sixty (60) days after the effective date of termination.

#### ARTICLE 20. Insurance and Bonds

The Contractor shall secure and maintain in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in

Page 46 of 182

by the Contract as follows: (Note to Contract Holder: this article is subject to change due to final project scope definition)

## 20.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. The Contractor shall also be responsible for compliance with said Workmen's Compensation Act by all its subcontractors, agents, and invitees, if any.

The Contractor shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.

### 20.2 <u>Employer's Liability Insurance</u>:

The Contractor shall provide Employer's Liability Insurance with bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as a result of bodily injury, by accident or disease, including death arising out of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

#### 20.3 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate. This Policy shall include a complete operations and products coverage.

Page 47 of 182

## 20.4 Commercial Automobile Liability Insurance:

The Contractor shall provide a Commercial Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned or scheduled autos, non-owned, and hired automobiles.

#### Requirements Under the Policies:

The Commercial General Liability and Commercial Automobile Liability Insurance required under this Contract shall be endorsed to include:

A. For liabilities assumed by the Contractor under the indemnification provisions of this Contract, the Contractor's Commercial General Liability and Commercial Automobile Liability Insurance policies shall name the following as an additional insured:

Puerto Rico Electric Power Authority (PREPA) Risk Management Office PO Box 364267 San Juan, PR 00936-4267

- B. A thirty (30)-day cancellation or nonrenewable notice to be sent to the above address.
- C. An endorsement including this Contract under contractual liability coverage and identifying it by number, date and Parties to the Contract.
- D. Waiver of Subrogation by the Contractor's insurer in favor of Puerto Rico Electric Power Authority (PREPA).

Page 48 of 182

E. Breach of Warranties or Conditions:

The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA's rights under this policy or alternatively Separation of Insureds provisions are included in the Commercial General Liability Insurance and Commercial Automobile Liability Insurance.

Bonds:

As a Contract security, the Contractor shall furnish at the time of the execution of the Contract:

- A. A Performance Bond in the amount of one hundred percent (100%) of the Contract Ceiling, with good and sufficient surety satisfactory to PREPA guaranteeing that the Contractor will well and faithfully perform the contract work.
- B. A Payment Bond in the amount of one hundred percent (100%) of the Contract Ceiling, with good and sufficient surety satisfactory to PREPA to

*T*:

guarantee the prompt payment of all labor, supervision, equipment and materials required in the performance of the work.

C. All bonds shall be issued in the official form of PREPA and shall include a Power of Attorney.

# Furnishing of Policies:

All required policies of insurance shall be issued only by insurance companies eligible to do business in Puerto Rico.

The Contractor shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.

ARTICLE 21. Indemnification

The Contractor shall indemnify, defend and hold harmless PREPA, its agents and employees, from and against any and all claims, actions, suits, charges and judgments arising from, or related to, the negligence, fraud or willful misconduct of the Contractor in the performance of the services called for in this Contract. The failure of the Contractor to obtain, maintain, or pay for any insurance coverage necessary to insure its obligations under this Contract and/or the failure of Contractor's insurance carrier to provide insurance coverage shall not relieve Contractor of its indemnification obligations.

## ARTICLE 22. Permits and Licenses

The Contractor shall obtain, maintain and submit evidence of all the licenses, permits and authorizations required to perform all Work, services and tasks under this

Page 50 of 182

Contract, and shall send all notices, pay all fees, and related costs and shall comply and shall have its Subcontractors and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with such licenses, permits and authorizations. The Contractor shall provide information, assistance and documentation to PREPA as reasonably requested in connection with the permits to be obtained by PREPA as specified in a Task Order (if any) related to the performance of the Work thereunder. Should the Contractor find any discrepancy between the drawings and specifications and the permits, laws, ordinances, rules, and regulations referred to herein, the Contractor shall proceed immediately to notify PREPA of the discrepancy and shall not continue with the work until PREPA issues and notifies an order informing the Contractor what changes are necessary and when to proceed with the work as changed.

Also, shall comply with all of the environmental permits, laws and regulations during the emergency restorations, which shall include any environmental impacts such as access roads, staging areas, deviations, etc. with all of the environmental agencies (OGPe, DRNA, EQB, FEMA, SHPO, USFWS, etc).

#### ARTICLE 23. Contingent Fees

The Contractor represents and warrants that it has not employed any person to solicit or secure this Contract upon any agreement for a commission percentage, brokerage or contingent fee. Breach of this warranty shall give PREPA the right to annul the Contract or, at its discretion to deduct from the amounts due under this Contract the amount of such commission, percentage, brokerage or contingent fees. This warranty

Page 51 of 182

102

shall not apply to commissions payable by the Contractor upon contract or sales secured or made through bona fide established commercial or selling agencies.

# ARTICLE 24. Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall cooperate with such other contractors and carefully fit its own work to that provided under other contracts as may be reasonably directed by the Contracting Officer. The Contractor shall not commit or permit any acts that interfere with the performance of work by any other contractor, and PREPA shall ensure other contractors do no commit or permit any acts that interfere with the performance of the Work by the Contractor.

## ARTICLE 25. Officials not to Benefit

No officer, employee, or agent of PREPA, nor of the Government of the Commonwealth of Puerto Rico or Municipal Governments, shall be admitted to any share or part of this Contract or to any benefit that may arise there from.

In addition to the restrictions and limitations established under the provisions of "The Puerto Rico Government Ethics Act" Act No. 1-2012, as amended, retired or former officers or employees of PREPA, whose work was in any way related to the award or management of contracts, shall in no way benefit from any contract with PREPA for a period of two (2) years after leaving employment with or ceasing services to PREPA.

### ARTICLE 26. Claims for Labor and Materials

The Contractor shall, at its own expense, assume the defense of and hold PREPA harmless from claims arising out of or in connection with the Contractor furnished labor

Page 52 of 182

and materials, and PREPA shall not be affected by any mechanics or other liens that remain outstanding against any property, materials or equipment used in connection with the Work; and shall, on request, furnish satisfactory evidence that all persons who have done Work or furnished materials have been fully paid. If the Contractor fails to comply with its obligations in this respect, PREPA may take such liens or claims and may withhold from any monies due to the Contractor such amounts as may be necessary to satisfy and discharge any such liens and claims and any costs and expense incidental thereto.

### ARTICLE 27. Unfair Labor Practice

In the event that the Contractor or any of its subcontractors or agents do not comply with an order issued by the Puerto Rico Labor Relations Board and/or the National Labor Relations Board upon a finding that the Contractor or any of its subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of the said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials on the job site and finish the work by whatever method it may deem reasonably necessary. Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the contractors or agents have not complied with an order issued by the Board relating to any unfair labor practice, shall be binding, final, and conclusive unless such order is reversed or set aside by a Court of competent jurisdiction.

Page 53 of 182

## ARTICLE 28. Patents and Copyrights

The Contractor, at its own expense, shall defend any suit or action brought against PREPA based on a claim that any equipment or part thereof, copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article, or appliance used in the performance of this Contract, including their use by PREPA, constitutes an infringement of any patents or copyrights of the United States, if notified promptly in writing by PREPA, and given the necessary authority, information, and assistance for the defense of the same by PREPA, and the Contractor shall reimburse PREPA for all damages and costs awarded therein against PREPA. If, in such suit, the equipment or any part thereof, or the composition, secret process, invention, article or appliance, is held to constitute infringement and its use is enjoined, the Contractor, at its option and expense, shall (i) procure for PREPA the right to continue using the same; (ii) replace it with non-infringing equipment, composition, secret process, invention, article or appliance, (iii) modify it so it becomes non-infringing; or (iv) remove it and refund the purchase price.

#### ARTICLE 29. Waivers

No waiver of any Default under this Contract shall be held to be a waiver of any other subsequent Default. All remedies afforded by PREPA in this Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law.

Page 54 of 182

The state of the s

### ARTICLE 30. Correction of Work after Final Payment

The Final Acceptance Certificate, payment or any provision in the Contract shall not relieve the Contractor from its responsibility for faulty Work in accordance with Article 37 (Warranty). PREPA shall give the Contractor written notice of any defects with in the Warranty Period. All questions arising under this Article shall be decided by the Engineer, in its reasonable judgment, subject to appeal by the Contractor as provided in Article 31 (Disputes).

### ARTICLE 31. Disputes

Except as otherwise specifically provided in this Contract, all Disputes concerning questions of fact arising under this Contract shall be decided by the Engineer, in its reasonable judgment and in writing, subject to written appeal by the Contractor within thirty (30) days to the Executive Director/Chief Executive Officer. Within thirty (30) days after the issuance of the Engineer's written decision, the Executive Director/Chief Executive Officer shall inform each Party, in writing, of its decision regarding the Dispute. If any Party disagrees with the written decision, such Party may pursue its remedy at law or equity.

#### ARTICLE 32. Laws to be Observed

The Contractor shall observe and not violate any and all federal, state, commonwealth and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in the proposed rehabilitation, assembly, transportation and those employed in the performance of the Work, and shall observe

Page 55 of 182

and not violate all such orders and decrees currently existing or as they may be enacted prior to the completion of the Work by agencies or courts having jurisdiction or authority over the Work. The Contractor shall indemnify and hold PREPA and its representatives, officers, agents and servants harmless from fines and penalties paid by PREPA, including reasonably attorney's fees, to Governmental Authorities to the extent resulting from the Contractor's violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its subsidiaries, affiliates and employees, subject to limits of liability in Article 17 (Liabilities).

# ARTICLE 33. Change of Law

During the Term, any change in law or Applicable Laws, including, but not limited to changes in applicable tax law, which causes an increase in the Contractor's costs when performing the Work hereunder, shall be for the Contractor's account and responsibility and PREPA shall not be obliged to make any additional payments or pay additional sums to the Contractor for such reason. In the event any change in law or Applicable Laws cause an increase in the Contractor's costs, the Contractor may elect to terminate this Contract and/or any Task Order without penalty or any further obligation to PREPA with thirty (30) days written notice to PREPA and PREPA shall pay and compensate the Contractor for all Work performed through the date of termination, including bid preparation, mobilization, training, start-up, third party cancellation, and demobilization costs and expenses, without any waiver by the Contractor of any other rights or remedies it may have in law or in equity to protect its rights under this Contract.

Page 56 of 182

### ARTICLE 34. Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Subject to Article 31 (<u>Disputes</u>), each of the Parties agrees that any action instituted by it against the other regarding any dispute hereunder shall be instituted exclusively in the United States federal courts in the Commonwealth (or, if jurisdiction is not available in the United States federal courts in the Commonwealth, then exclusively in the local courts in the Commonwealth), and each Party consents and submits to personal jurisdiction in any action brought in the United States federal courts in the Commonwealth (or, if jurisdiction is not available in the United States federal courts in the Commonwealth, to personal jurisdiction in any action brought in the local courts in the Commonwealth) regarding any Dispute.

#### ARTICLE 35. Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding shall not affect the validity and effectiveness of the remaining provisions of the Contract and the Parties agree to comply with their respective obligations under such provisions not included by the judicial declaration.

#### ARTICLE 36. Discrimination

The Contractor certifies that it is an employer with equal opportunity employment, and do not discriminate by reason of race, color, religion, political ideas, sex, gender, sexual identity, nationality, age or mental or physical condition.

Page 57 of 182

## ARTICLE 37. Warranty

## 37.1 Contractor Warranties

The Contractor warrants that all materials, parts, equipment used, and Work performed under this Contract shall materially comply with its terms and conditions; that they are and shall be free from defects in design, materials and workmanship; , and that the Work performed under this Contract shall conform with the industry standards of skill, care, diligence and practice appropriate to its nature.

### 37.2 Warranty Period

Unless otherwise set forth in a Task Order, the warranty period for Work performed under this Contract shall begin on the date of Substantial Completion and shall continue for a period of six (6) months (the "Warranty Period"). The Contractor shall, upon written notice by PREPA, and free of expense to PREPA, remedy and correct defects in the Work or materials, parts, or equipment incorporated in the Work, provided that they have been properly stored, installed, maintained, and operated within the specified parameters during the Warranty Period. The Contractor shall not be held responsible for and shall not have to replace, repair, remedy, or correct defects caused by lack of maintenance, unintended use, misuse, abuse, improper or unsuitable installation, external accidents, or other causes beyond the reasonable control of the Contractor. If, within the Warranty Period, PREPA discovers and does not promptly notify the Contractor or give the Contractor an opportunity to test or correct defective or nonconforming Work, PREPA waives the Contractor's obligation to replace, repair, remedy, or correct that defective

Page 58 of 182

or nonconforming Work as well as PREPA's right to claim a breach of the warranty with respect to that defective or nonconforming Work. Following the expiration of the Warranty Period, PREPA expressly waives and releases the Contractor from all claims relating to defects or deficiencies in the Work, or otherwise relating to the performance or sufficiency of the Work, whether arising in contract, warranty, tort (including negligence), strict liability, equity or otherwise. The warranties set forth in this Contract are exclusive and in lieu of all other warranties, express or implied, including warranties for performance, merchantability, fitness for a particular purpose or otherwise, which are expressly disclaimed. There are no other warranties, agreements, oral or written, or understandings which extend beyond those set forth in this Contract.

## 37.3 <u>Defective or Deficient Materials, Parts or Equipment</u>

For those materials, parts, or equipment, which are or become defective or deficient during the Warranty Period, the Contractor shall, at his own expense, repair or replace, transport-in, from Contractor's facilities to PREPA's site, and transport-out, from PREPA's site to the Contractor's facilities, such materials, parts, and/or equipment. The Performance Guarantee shall cover and serve as guarantee for the Contractor's failure, in whole or in part, to properly perform its obligations under this Contract.

## 37.4 Parts and Equipment Procured From Other Suppliers

For parts and equipment to be procured by the Contractor from other suppliers, and which shall be furnished by the Contractor to PREPA under this Contract, a written

Page 59 of 182

warranty shall be obtained by the Contractor from each supplier and legally assigned to PREPA prior to the commencement of.

## ARTICLE 38. Correlation of Documents

The documents that constitute the Contract are complementary and what is required by one shall be as binding as if required by all. The Contractor shall keep in the work site a copy of all documents constituting the Contract relating to the work and any supplementary documents, specifications and drawings relating thereto and shall give PREPA access thereto during all normal working hours. In case of discrepancy or in the event of conflict among the documents constituting the Contract, the documents shall control in the following order: this Contract, Special Conditions, Technical Specifications, Drawings, Addenda to Request for Proposals, Request for Proposals, Contractor's Proposal, Performance and Payment Bonds, and Letter of Award.

The terms and conditions contained in this Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Bidding Proposal.

ARTICLE 39. Income Tax Withholding

PREPA will deduct and withhold at source to the Contractor the equivalent of ten percent (10%) from payment for Work performed under this Contract, in compliance with the Internal Revenue Code for a New Puerto Rico, Act No. 1-2011, as amended, section 1062.03. Notwithstanding, the withholding to be done by PREPA as herein stated could be increased to twenty percent (20%) in the event that the Contractor is a non-resident individual, which is a U.S. citizen, as provided by Act No. 1-2011, section 1062.08; or

Page 60 of 182

Master Service Agreement for Emergency Services

MasTec Renewables Puerto Rico, LLC

twenty-nine percent (29%) in the event that the Contractor is a non-resident and non U.S.

citizen individual; or a foreign corporation or partnership which is not dedicated to industry

or business in Puerto Rico, as provided by Act No. 1-2011, section 1062.08.

If a Release Letter has been issued to the Contractor by the Treasury Department

or the Contractor is exempt from the withholding at source by any other provisions of

the Internal Revenue Code for a New Puerto Rico, the Contractor shall be responsible to

submit a copy of said Release Letter or any documentation required by the law to claim

such exemption to PREPA for every calendar year, otherwise, payments under the

Contract shall remain subject to withholding at source. All invoices shall be segregated

by concepts (services, materials, equipment, etc.), to identify the amounts subject to

withholding and avoid undue deductions.

ARTICLE 40. Notice

All notices and other communications hereunder shall be in writing and shall be

deemed given when delivered personally or sent, postage prepaid, by registered,

certified or express mail (return receipt requested) or reputable overnight courier service

and shall be deemed given when so delivered or refused by the Parties at the following

addresses:

To PREPA: Puerto Rico Electric Power Authority

PO Box 364267

San Juan, Puerto Rico 00936-4267

Attention: Efran Paredes Maisonet

Page 61 of 182

To the Contractor: MasTec Renewables Puerto Rico, LLC Chartris Building 250 Muñoz Rivera Avenue Suite 1400

Hato Rey, Puerto Rico 00936-4267

Attention: John Audi

With a copy to:
MasTec, Inc.
800 Douglas Road, 12 th Floor,
Coral Gables, Florida 33134
Attention: Legal Department

# ARTICLE 41. Quality Assurance

# 41.1 Quality Control Program

The Contractor shall establish an adequate quality control program adequate to satisfy all applicable regulation and requirements specified in the procurement documents. The program shall contain all those measures necessary to ensure that all basic technical requisites are fulfilled.

#### 41.2 Audits and Inspections

PREPA reserves the right to conduct audits and inspections of the facilities, activities, and/or documents (limited to inspection and quality control documents) when estimated and without previous notification necessary in order to ensure that the quality control program is adequate and is being properly implemented. The Contractor shall allow PREPA to access its facilities and documents (limited to inspection and quality control documents), so that PREPA, through audits and inspections can verify the quality of the Work. The Contractor agrees to provide the FEMA and HUD Administrators or their authorized representatives access to the Sites pertaining to the Work.

Page 62 of 182

# 41.3 Subcontractor Compliance

In every case in which the materials or services to be furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall ensure that each Subcontractor accepts and complies with all the requirements of this Article 41 (Quality Assurance).

# ARTICLE 42. Safety Provisions

## 42.1 General

The Contractor shall have an occupational safety and health program (the "Program") as established in this Article 42. A copy of this Program shall be delivered to the Occupational Safety Division. The Program shall comply with the following minimum requirements of a health and safety program:

- A. It shall comply with all requirements of Applicable Laws included in the 29 C.F.R. 1900.1. The Program shall have been updated within the year prior to the Final Acceptance Certificate.
- B. It shall establish the mechanisms used to update and audit compliance with the Program.
- C. It shall include an accident or incident investigation procedure. This procedure shall always include the preparation of a report, which shall be submitted to the Occupational Safety Division of PREPA.

Page 63 of 182

# 42.2 Site-Specific Work Plan

The Contractor shall submit, for evaluation by the Occupational Safety Division and to PREPA's Environmental Protection and Quality-Assurance Division, a copy of a Site-Specific Work Plan. This plan shall include, but not be limited to, the following aspects:

- A. Objectives of the Site-Specific Work Plan
- B. Description of the activities to be performed
- C. Occupational safety and health considerations to be addressed before commencement of the Work.
- D. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
  - 1. Occupational Exposure to Lead (29 C.F.R. 1926.62)
  - 2. Scaffolds (29 C.F.R. 1926 Subpart L)
  - 3. Confined Spaces (29 C.F.R. 1910.146)
  - 4. Occupational Exposure to Noise (29 C.F.R. 1910.95)
  - 5. Hazardous Materials (29 C.F.R. 1910 Subpart H)
  - 6. Personal Protective Equipment (29 C.F.R. Subpart I)
  - 7. Hazard Communication (29 C.F.R. 1910.1200)
  - 8. HAZWOPER (29 C.F.R. 1910.120)
  - 9. Fire Protection (29 C.F.R. 1910 Subpart L)
  - 10. Materials Handling and Storage (29 C.F.R. 1910 Subpart N)

Page 64 of 182

- 11. Commercial Diving (29 C.F.R. 1910 Subpart T)
- 12. Respiratory Protection (29 C.F.R. 1910.134)
- 13. Fall Protection (29 C.F.R. 1926 Subpart M)
- 14. Electrical (29 C.F.R. 1926 Subpart K)
- 15. Welding (29 C.F.R. 1926 Subpart J)
- 16. Excavations (29 C.F.R. 1926 Subpart P)
- 17. Demolitions (29 C.F.R. 1926 Subpart T)
- 18. Blasting & Explosives (29 C.F.R. 1926 Subpart U)
- 19. Ventilation (29 C.F.R. 1926.57)
- 20. Tools, Hand and Powered (1926 Subpart I)
- 21. Electric industry (29 C.F.R. 1910.269)
- 22. Lockout Tagout (29 C.F.R. 1910.147)
- 23. Asbestos (29 C.F.R. 1910,1001)
- E. Any other regulations or guidelines related to safety and health that could be applicable to the scope of Work, and contingency procedures that include how to proceed in an emergency situation, such as fire or chemical spill, among others.
- F. A list of all specialized personnel needed. Also, a copy of all training certificates, licenses or certifications required, according to the scope of Work. For example: pesticides applicator, electrician, spill responder, refrigeration technician,

Page 65 of 182

DOT training for Hazardous Substances, etc. All these certificates and licenses shall be up to date and send it via safety@prepa.com.

- G. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, shall be evaluated and approved by the Hazard Communication Section of the Occupational Safety Division of PREPA.
- H. Evidence of compliance with medical surveillance requirements, according to scope of Work.
- 1. Evidence of compliance with Fit Test requirements for the use of respirators that make a face seal.
  - J. A list of annual training for the use of personal protective equipment.
- K. A list of safety equipment and materials to be used during the performance of the Work.
- L. Procedures to verify the Site after each workday and at the completion of the Work.
- M. The Contractor and Subcontractor shall adhere to a one hundred percent (100%) drug / alcohol free work zone. At minimum, pre-commencement of Work and post-accident testing is required. A positive post-accident test or positive pre-commencement of Work test shall result in worker dismissal from the Work. Testing shall be performed following the SAMHSA standards (Substance Abuse and Mental Health Services Administration).

Page 66 of 182

N. Certification of compliance for general workers ten (10) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry or general industry. Also, to the managers levels and safety officer present certification of compliance thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry or general industry.

# 42.3 Coordination Meeting

Before commencement of Work under a Task Order, the Contractor, Construction Manager, Safety Officer and the Environmental Officer shall take part in a coordination meeting with PREPA's safety officer, Environmental Compliance Officer and Engineer. During this meeting the areas to be worked on shall be toured, the Site-Specific Work Plan shall be discussed and reviewed, and amendments to it could be required.

## 42.4 Certification for Demolition Activities

If the Work includes demolition activities (as defined per ANSI A10.6 —1990: Demolition - the dismantling, razing or wrecking of any fixed building or structure or any part thereof) that shall be carried out in buildings or structures, which because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other Hazardous Substances, the Contractor shall require a certification from the Engineer stating that the building or structure is free of such materials.

## 42.5 Hazardous Work

The Work including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, shall be performed after PREPA's working hours. The Contractor shall take all steps necessary to ensure the area shall be free of nuisance odors or vapors before PREPA personnel is to reoccupy. All this shall be done in coordination with PREPA's relevant local supervisor.

## 42.6 Waste

The Contractor shall ensure that all wastes are characterized before they are removed and properly disposed of, in accordance with all Applicable Laws after completion of Work, at the end of every work shift and after the completion of the Work under all Task Orders hereunder.

# 42.7 Chemical Products

All chemical products to be used shall be evaluated and approved by the Hazard Communication Section of the Safety Division of PREPA and shall be classified as "Approved" or "Conditionally Approved."

## 42.8 Welding Operations

Welding operations shall comply with the requirements of OSHA, ANSI and NFPA.

## 42.9 <u>Dust Generating Materials</u>

If the project involves the handling of non-asbestos insulation or other dust generating materials, like gypsum board, steps shall be taken to prevent the release of the dust to adjacent areas.

Page 68 of 182

## 42.10 Reasonable Precautions

The Contractor shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to all employees performing the Work and all other persons who may be affected. This includes the Work, property, material and equipment on or off the Site, under the care, custody or control of the Contractor or any of its Subcontractors.

# 42.11 Applicable Laws and Lawful Orders

The Contractor shall comply with all Applicable Laws and lawful orders of any public authority having jurisdiction for the safety of persons or property or to protect them from damage, injury or loss. The Contractor shall erect and maintain, as required by existing conditions and progress of the Work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities.

#### 42.12 Safety Officer

The Contractor shall designate a Safety Officer at the Site whose duty shall be the prevention of accidents and the implementation of the Program and the Site-Specific Work Plan approved by PREPA's Safety Division. The Contractor shall present evidence that their Safety Officer has an effective training of thirty (30) hours in Occupational Safety and Health Standards for the Construction Industry from an approved OSHA Training Center.

Page 69 of 182

## 42.13 Contractor Responsibility

Compliance with all safety provisions by Subcontractors shall be the responsibility of the Contractor.

# 42.14 Compliance with Regulations

The Contractor agrees that it shall perform all Work in compliance with federal, state and local occupational safety and health regulations, as described in the Site-Specific Work Plan.

#### 42.15 Permits

The Contractor shall obtain and maintain, during the Work, the proper permits from all federal, state, commonwealth and local regulatory authorities or other applicable. Governmental Authority with respect to discharge, disposal, use, storage, handling and transportation of Hazardous Substances as and when required by Applicable Laws. For projects including the handling of asbestos, lead, or spilled hazardous substances, the notification to EPA or the EQB will be done by the Contractor, but in coordination with the Safety Officer and the Environmental Advisor or Officer.

Also, shall comply with all of the environmental permits, laws and regulations during the emergency restorations, which shall include any environmental impacts such as access roads, staging areas, deviations, etc. with all of the environmental agencies (OGPe, DRNA, EQB, FEMA, SHPO, USFWS, etc).

# 42.16 Hazardous Substances

The Contractor shall not cause or permit any Hazardous Substances that the Contractor brings to the Site or product containing a Hazardous Substances that the Contractor brings to the Site to be at, or in the vicinity of, any place where any employee, agent, or the Contractor of PREPA, or employee of any such agent or the Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

## 42.17 Indemnity for Noncompliance

The Contractor shall indemnify and hold, PREPA and its employees, agents or assignees harmless from any and all liabilities and expenses to the extent directly arising out of the material noncompliance of the Contractor or any Subcontractor (or any of either of their employees, agents or assignees) with these provisions if applicable to the Contractor or the Work. Notwithstanding the foregoing or anything to the contrary contained in this Contract or any Task Order, in no event shall the Contractor be responsible or liable for any pre-existing Hazardous Substances, any Hazardous Substances encountered at the Site of the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor. Except to the extent set forth in Article 42.16 (Hazardous Substances), to the fullest extent permitted by law, PREPA shall indemnify and hold harmless the Contractor and its agents, officers, and employees from and against claims, damages, losses, and expenses (including but not limited to judgments, the cost of remediation of a pre-existing Hazardous

Page 71 of 182

Substances, fines, penalties, civil sanctions, and reasonable attorneys' fees) arising out of or resulting from any pre-existing Hazardous Substance, any Hazardous Substances encountered on the Site by the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor.

## 42.18 Right to Terminate

PREPA shall have the right to terminate this Contract upon the Contractor's non-observance of any of the foregoing or for any failure to comply with any of the safety provisions of this Contract upon thirty (30) days of a written notice to the Contractor.

## ARTICLE 43. Environmental Conditions

# 43.1 <u>Indemnity for Environmental Violations</u>

The Contractor agrees to indemnify PREPA for all expenses and costs to the extent arising out of any claim for an environmental violation to the extent caused by Contractor or its agents, employees, Subcontractors or assigns during the performance or non-performance of its obligations under the Contract. PREPA agrees to indemnify the Contractor for all expenses and costs to the extent arising out of any claim for an environmental violation to the extent caused by PREPA or its agents, employees, contractors, or assigns.

# 43.2 Spills

The Contractor shall have available, and close to the Site, the necessary equipment to control, pick-up and clean up any spills of the Hazardous Substances the

Page 72 of 182

Contractor brings to or onto the Site that could occur during the Contractor's performance of the Work. The equipment should include all the necessary materials for waste disposal of any waste generated by the Contractor during the Contractor's performance of the Work; provided, however, the Contractor shall not be responsible for disposing or liable for the disposal of any waste resulting from any pre-existing Hazardous Substances, any Hazardous Substances encountered at the Site by the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor.

# 43.3 Leakage with Equipment

All equipment to be used at the Site should be free of oil, transmission fluid or hydraulic fluid leakages. If the equipment develops a leakage during the performance of the Work, it should be repaired or replaced immediately. While the equipment leakage is removed from the Work area or it is repaired, it is the Contractor's responsibility to replace cloth or absorbent material and drip pans and dispose of the contaminated materials in accordance with the applicable laws and regulations.

# 43.4 Coordination with PREPA's Environmental Compliance Officer

The Contractor shall inform and coordinate with PREPA's Environmental Compliance Officer regarding any work to be performed to avoid any environmental violation. In case of any incident, the contractor shall, immediately, notify PREPA's on site Supervisor and the Environmental Compliance Officer.

Page 73 of 182

## 43.5 Compliance with Consent Decree

The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the EPA.

## 43.6 Disposal of Waste

The Contractor shall dispose of all waste generated by the Contractor in its performance of the Work and not violate any applicable local and federal, Applicable Laws and regulations, including environmental regulations; provided, however, the Contractor shall not be responsible for disposing or liable for the disposal of any waste resulting from any pre-existing Hazardous Substances, any Hazardous Substances encountered at the Site by the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor. The disposal of non-hazardous and hazardous waste material shall be done in a Puerto Rico Environmental Quality Board (PREQB) approved landfill. The use of PREPA's waste disposal equipment is not permitted.

#### 43.7 Chemical Classification

All chemical products to be used shall be classified as "Approved" or "Conditionally Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises. Chemical products shall not reach any internal or external sewer of the construction site in order to prevent contamination and comply with all federal and local regulations related with the Clean Water Act.

Page 74 of 182

# 43.8 Contractor Obligation upon Completion of the Work

The Contractor, upon completion of the Work, shall leave the Site clean, organized, and free of any contaminants and Hazardous Substances that the Contractor brought to or onto the Site, as evidenced by laboratory analysis performed before and after the Work. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.

#### 43.9 Chemical Analysis

All chemical analysis shall be performed by an approved laboratory and shall be included in PREPA's Materials Management Division Supplier's Register as companies that are properly qualified and evaluated to perform this type of Work.

#### 43.10 Compliance with DOT's Hazardous Materials Transportation Act

The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation Act, 49 C.F.R. 172 Sub. Part H (DOT).

#### 43.11 Preapproval from PREPA

All remedial actions and environmental work shall be performed by a company previously approved by PREPA.

#### 43.12 Control Erosion and Sedimentation Plan

The Contractor shall prepare and follow the Control Erosion and Sedimentation
Plan (CES Plan), previously submitted to PREPA's Environmental Protection and Quality
Assurance Division (EPQAD). The temporary measures needed to control erosion and
water pollution shall include, but not be limited to, berms, dikes, dams, sediment basins,
Page 75 of 182

1

fiber mats, netting, gravel, mulches, grasses, slope drains, and other erosion control devices or methods. These temporary measures shall be installed at the locations where there is a need to control erosion and water pollution during the construction of the project, and as directed by the Engineer, and as shown on the drawings. The CES Plan presented in the drawings serves as a minimum for the requirements of erosion control during construction. The Contractor has the ultimate responsibility for providing adequate erosion control and water quality throughout the duration of the project. Therefore, if the provided plan is not working sufficiently to protect the project areas, then the Contractor shall provide additional measures as required to obtain the required protection.

# 43.13 Best Management Practice Plan

All Work shall be performed in accordance with the Best Management Practice Plan (BMPP), which is part of the special conditions of the NPDES Permit.

All Work shall be performed in accordance with the U.S. Fish and Wildlife Service-Endangered Species Act Emergency Section Consultation Best Management Practices (BMPs) for Federally Listed Species in Relation to PREPA's Transmission and Distribution Lines Restoration Project in Puerto Rico.

## 43.14 NPDES Permit

Any chemical product should not reach any internal or external waste stream or outfall of the relevant facilities in order to prevent contamination and to comply with the NPDES Permit and all federal and local regulations related to the Clean Water Act.

Page 76 of 182

## 43.15 Environmental Protection Measures

The Contractor must provide and maintain environmental protection measures during the commencement, construction, and completion of the project, as defined under this Contract. Environmental protection measures must be provided by the Contractor to correct conditions that may emerge or develop during the construction, as well as, the recondition of all environmental measures or controls employed at the project which does not fulfill their purpose.

# 43.16 Reduction of Adverse Impacts

The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to a minimum and acceptable level in the fulfillment to PREPA's Environmental Compliance Officers.

## 43.17 Preservation of Natural Resources

It is intended that the natural resources within the project boundaries and outside the limits of the permanent work performed, be preserved in their existing condition or be restored to an equivalent or improved condition, upon completion of the work. The Contractor shall confine his construction activities to areas defined by the work schedule, plans, and specifications. Furthermore, the Contractor will take immediate response or mitigate any environmental concern and deficiencies found by PREPA personnel or regulatory agencies. The contractor will be responsible to notify immediately to PREPA's

Page 77 of 182

EPQAD for any finding or environmental violations due to inspections by regulatory agencies.

## 43.18 Orientation Program

The Contractor along with the Engineer will establish, at least on a monthly basis, an orientation program for the residents and business people to clarify details and working schedule of the project, also to attend their needs or complaints. This orientation shall include the U.S. Fish and Wildlife Service-Endangered Species Act Emergency Section Consultation Best Management Practices (BMPs) for Federally Listed Species in Relation to PREPA's Transmission and Distribution Lines Restoration Project in Puerto Rico.

# 43.19 Maintenance Program

All equipment to be used for the Work should be in working condition and reasonably maintained. A monthly record of maintenance should be filed by the Contractor and submitted to PREPA's EPQAD. If required, the Contractor must perform and submit a monitoring study of gas emission or noise reduction on determined areas to comply with regulations. Also, the Contractor will be responsible to maintain its operation center and project area clean and organized.

#### 43.20 Truck Liners

The use of liners to cover up carrying trucks is compulsory.

Page 78 of 182

## 43.21 Waste Clean-Up

The Contractor shall dispose of all waste generated by the Contractor during the Contractor's performance of the Work; provided, however, the Contractor shall not be responsible for disposing or liable for the disposal of any waste resulting from any pre-existing Hazardous Substances, any Hazardous Substances encountered at the Site by the Contractor, or any Hazardous Substances not brought onto or to the Site by the Contractor. The waste shall be picked up and placed in containers which area must be emptied on a regular schedule. The Site shall be clean upon completion. The use of PREPA's waste disposal equipment by the Contractor is not permitted.

## 43.22 Clean Work Areas

All areas must be clean and organized to prevent accidents or violations to regulations.

# 43.23 Safety Barriers

Safety barriers must be installed at the edges of the project to avoid access from non-authorized individuals at the project site.

# 43.24 Temporary Storage Areas

Temporary storage areas of construction and disposal materials shall be protected with dikes. In the absence of dikes, the Contractor shall prepare temporary areas with dikes to avoid materials exposure.

#### 43.25 Rainfall Exposure

All the construction and disposal materials shall be covered to avoid rainfall exposure during the Work activities.

## 43.26 Chemical Inventory

The Contractor shall keep a chemical inventory for products with ingredients regulated by the EPA's Toxic Release Inventory (SARA title III, 313). The Contractor should do a quantity report for all the material used and disposed of in the performance of the Work. This inventory shall include a copy of all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This inventory should be submitted to PREPA's environmental compliance supervisor and to the EPQAD.

#### 43.27 Air Permits

The Contractor shall be responsible to obtain the required air permits for the control of fugitive emissions that may be caused by the performance of the Work.

# 43.28 <u>Deviations</u>, <u>Staging Areas and Access Roads</u>

The Contractor with PREPA's personnel shall gather the information needed to perform any Deviations, Staging Areas and/or Access Roads (existing or new) in order to

Page 80 of 182

comply with the Environmental Planning and Historical Preservation (EHP) under FEMA.

This information will be sent to PREPA's EPQAD.

## ARTICLE 44. Subcontracting and Assignment

## 44.1 No Subcontracting without Consent

The Contractor shall not subcontract its obligations under this Contract, including any Task Order, without PREPA's previous written authorization for such actions, which authorization shall not be unreasonably withheld, delayed, or conditioned; provided that no Subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Contractor delivers PREPA a copy of the Subcontract, not less than thirty (30) days prior to the effective date of the proposed Subcontract; (2) the Subcontract includes, as a condition for its legal validity and enforceability, a provision whereby PREPA has the right to substitute, subrogate or assume the Contractor's rights under the Subcontract, in the event that PREPA declares the Contractor in breach or default of any of the Contract terms and conditions; and (3) the Subcontract includes, as a condition for its validity and enforceability, a provision establishing that the Subcontractor must comply with all of the Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which are exclusively related with works or services not included under the Subcontract, A request for the execution of a subcontract shall specify the issues or matters that shall be referred to the Subcontractor. These services shall be paid pursuant to the fixed amount rates and payment terms stated in the relevant Task Order.

Page 81 of 182

# 44.2 No Assignment without Consent

Any assignment of any rights or duties under this Contract, by either Party, shall require the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed, or conditioned. If the Contractor decides to assign the right to collect due or payable funds, to which it is entitled for Work performed during the Term to any third party, the provisions in Article 45 (<u>Transfer of Funds</u>) shall apply.

# 44.3 Acknowledgement of PREPA's Right to Transfer

The Parties acknowledge that PREPA is undergoing a transformation process, and therefore, both Parties agree that in the eventuality of the execution of a Partnership Contract, Sale Contract or any other PREPA Transaction (as these terms are defined in Act 120-2018), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise dispose (each, a "Transfer") any of its rights, title, or interest (by novation or other instrument) in this Agreement as permitted by applicable law and at any time, and without Contractor's consent or cost, expense or incremental liability to PREPA, to any future operator of Puerto Rico's electric power transmission and distribution system or any of its affiliates, or to any governmental agency, body, public corporation or municipality of Puerto Rico; provided, that PREPA shall notify Contractor no later than thirty (30) days before the effective date of any such Transfer. The Contractor acknowledges that all his responsibilities and obligations under the Contract, such as work to be performed and services to be provided, etc., will continue in full force and effect until the expiration of the thirty (30) day period.

Page 82 of 182

# ARTICLE 45. Transfer of Funds

## 45.1 Notification of Transfer

If the Contractor decides to assign or transfer an amount, due or payable, to which it is entitled for Work performed during the Term, the Contractor shall notify PREPA of such transfer of funds, in accordance to the provisions of Act 21-2012. Said notice shall clearly indicate the rights granted, including a copy of the contract under which the assignment or transfer of funds is made, the exact amount of funds to be assigned or transferred, and specific identification information regarding the assignee (full name of the person or company), address and any other contact information.

# 45.2 Acknowledgement of Set-off

The Contractor acknowledges and agrees that PREPA may, in its reasonable discretion and with prior written notice to the Contractor explaining the reasons therefor, set off and deduct any amount, due or payable under this Contract by the Contractor from amounts due and payable by PREPA to the Contractor. PREPA may retain any such amount if the Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the Work under this Contract. The Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds shall cease upon payment of any and all outstanding amounts by PREPA under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which the Contractor is entitled to under the relevant Task Order (as modified by any Change Order) or this Contract.

Page 83 of 182

## 45.3 Administrative Costs

The Contractor shall include with its notice of assignment of funds a cashier's check or money order for two hundred dollars (\$200), payable to "Puerto Rico Electric Power Authority," to cover administrative costs in processing such assignment.

# ARTICLE 46. Compliance with the Commonwealth of Puerto Rico Contracting Requirements

The Contractor shall comply with all Applicable Law that regulate the contracting process and requirements of the Commonwealth of Puerto Rico.

# 46.1 Filing of Puerto Rico Income Tax Returns

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Contractor hereby certifies that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. As evidence thereof, Contractor has delivered to PREPA an Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that the Contractor has filed his Income Tax Return for the last five (5) tax years (Form SC 6088). The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Subcontractor whose service the Contractor has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

#### 46.2 Payment of Puerto Rico Income Taxes

In compliance with Executive Order Number OE-1991-24 of June 18, 1991, the Contractor, hereby certifies that it has complied and is current with the payment of all Page 84 of 182

-

income taxes that are, or were due, to the Government of Puerto Rico. As evidence thereof, the Contractor has delivered to PREPA a certification issued by the Treasury Department of Puerto Rico indicating that Contractor does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms (Form SC 6096). During the Term, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each Subcontractor whose service the Contractor has secured in connection with the Work and shall forward evidence to PREPA as to its compliance with this requirement.

46.3 <u>Compliance with Requirements of the Department of Labor and Human</u>

<u>Resources of the Commonwealth of Puerto Rico</u>

Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. As evidence thereof, the Contractor has delivered to PREPA:

A. A certification issued by the Bureau of Employment Security (Negociado de Seguridad de Empleo) of the Puerto Rico Department of Labor and

Page 85 of 182

01102

Human Resources certifying that the Contractor does not owe taxes regarding Unemployment or Disability Insurance.

B. A certification issued by the Program for Social Security for Chauffeurs and Other Employees of the Puerto Rico Department of Labor and Human Resources certifying that the Contractor has no debt with respect to such program.

# 46.4 Real and Personal Property Taxes

Contractor hereby certifies and guarantees that it does not have any current debt regarding property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Contractor shall provide:

A. A certification issued by the Municipal Revenues Collection Center ("MRCC"), assuring that the Contractor does not owe any tax accruing during the last five (5) years to such governmental agency with respect to personal property; or negative Debt certification issued by the MRCC with respect to personal property taxes and a sworn statement executed by the Contractor indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (5) years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the first of January

Page 86 of 182

of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.

B. All Concepts Debt Certification issued by the MRCC assuring that the Contractor does not owe any taxes to such governmental agency with respect to real and personal property; or negative certification issued by the MRCC with respect to real property taxes.

## 46.5 Sales and Use Taxes

The Contractor has delivered to PREPA:

- A. A Certification issued by the Puerto Rico Treasury Department indicating that the Contractor does not owe Puerto Rico Sales and Use taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.
- B. A Puerto Rico Sales and Use Tax Filing Certificate issued by the Treasury Department of Puerto Rico assuring that the Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
- C. A copy of the Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

# 46.6 Puerto Rico Child Support Administration (ASUME)

The Contractor hereby certifies that it is not duty bound to pay child support, or if so, that the Contractor is up to date or has a payment plan to such effects. As evidence thereof, the Contractor has delivered to PREPA a certification issued by the Puerto Rico Child Support Administration (Administración Para El Sustento de Menores (ASUME) certifying that the Contractor have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with ASUME.

## 46.7 Organization Documents

The Contractor shall provide:

- A. A Good Standing Certificate issued by the Department of State of Puerto Rico.
- B. A Certification of Incorporation, or Certification of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.

#### 46.8 Compliance with Act No. 1 of Governmental Ethics

The Contractor will certify compliance with Act No. 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his or her immediate family (spouse, dependent children, or other members of his or her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as

Page 88 of 182

may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government. 3 L.P.R.A. § 8611 et seg.

46.9 <u>Law 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People</u>

The Contractor will certify that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act No. 168-2000, as amended, the same is current and in all aspects in compliance. Act No. 168-2000, "Law for the Strengthening of the Family Support and Livelihood of Elderly People," in Spanish: "Ley para el Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada," 3 L.P.R.A. §8611 et seq.

46.10 <u>Law Num. 127, May 31, 2004: Contract Registration in the Comptroller's</u>

Office of Puerto Rico Act

Payment for Work under this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Government of Puerto Rico pursuant to Law Number 18 of October 30, 1975, as amended.

46.11 Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615(c))

No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family

Page 89 of 182

unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

46.12 <u>Prohibition with respect to contracting with officers or employees: (3</u> L.P.R.A. 8615(d))

No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice.

46.13 Prohibition with respect to contracts with officers and employees of other Government entities: (3 L.P.R.A. 8615(e))

No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.

46.14 <u>Prohibition with respect to evaluation and approval by public officers: (3</u> <u>L.P.R.A. 8615(f))</u>

No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has

Page 90 of 182

had direct or indirect economic interest during the last four (4) years prior to his/her holding office.

46.15 <u>Prohibition with respect to execution by public officers of contracts with</u> former public officers: (3 L.P.R.A. 8615(h))

No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.

## 46.16 Dispensation

Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.

#### 46.17 Rules of Professional Ethics

The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his or her profession and assumes responsibility for his or her own actions.

# 46.18 Anti-Corruption Code for a New Puerto Rico

- A. The Contractor agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico.
- B. The Contractor hereby certifies that it does not represent particular interests in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.

Page 91 of 182

- C. The Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.
- D. The Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3, or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.
- E. PREPA shall have the right to terminate the Contract in the event the Contractor is convicted in Puerto Rico or United States Federal court under Articles 4.2, 4.3, or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250

Page 92 of 182

through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

## 46.19 Provisions Required under Act 14-2004:

The Contractor agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available.

46.20 Act 42-2018 "Act of Preference for Contractors and Local Construction Suppliers"

The Contractor agrees to comply with Act 42- 2018, that established as a public policy of the Government of Puerto Rico that, regarding the purchase and contracting of Construction Services, at least twenty percent (20%) of said purchases and contracts will be rendered by a Business or Local Provider of Construction Services.

## 46.21 Consequences of Non-Compliance

A. The Contractor expressly agrees that the conditions outlined throughout this Article are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect,

Page 93 of 182

inaccurate or misleading, in whole or in part, there shall be sufficient cause for PREPA to terminate the Contract, and the Contractor shall be paid by PREPA for all Work performed through the date of termination. If any of the certifications listed in Article 46.1 through 46.6 shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor hereby certifies that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, the Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, the Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Subcontractor whose service the Contractor has secured in connection with the Work to be performed under this Contract and shall forward evidence to PREPA as to its compliance with this requirement. It shall be the Contractor's responsibility, also, to require all subcontracted third parties to comply with all the previous Certifications and agrees to notify PREPA of such compliance within ten (10) Working Days of subcontracting such third party.

B. If any of the previously required certifications shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor hereby certifies and represents that it has made such request at the time of the

Page 94 of 182

Contract execution. If the requested review or adjustment is denied and such determination is final, the Contractor shall provide, immediately, to PREPA a proof of payment of this debt; otherwise, the Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments.

- C. The Contractor acknowledges and agrees that submittal of the aforementioned certifications and documents is an essential condition of this Contract; and even in the case that they are partially incorrect, there shall be sufficient cause for PREPA to terminate or any Task Order the Contract, and the Contractor shall be paid for all Work performed through the date of termination.
- ARTICLE 47. Compliance with Applicable Federal Law, Regulations and Executive Orders
- 47.1 Compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708) as supplemented by Department of Labor regulations (29 C.F.R. part 5).
  - A. Overtime requirements. No Contractor or Subcontractor contracting for any part of the Contract which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

Page 95 of 182

- B. <u>Violation; liability for unpaid wages; liquidated damages</u>. In the event of any violation of the clause set forth in paragraph (A) of this Article 47.1, the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, the Contractor and such Subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (A) of this Article 47.1, in the sum of \$26 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (A) of this Article 47.1.
- C. <u>Withholding for unpaid wages and liquidated damages</u>. The Government of Puerto Rico shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of Work performed by the Contractor or Subcontractor under any such contract or any other Federal contract with the same contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same contractor, such sums as may be determined to be necessary to satisfy any

Page 96 of 182

liabilities of the Contractor or such Subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this Article 47.1.

D. <u>Subcontracts</u>. The Contractor or Subcontractor shall insert in any Subcontracts the clauses set forth in paragraph (A) through (D) of this Article 47.1 and also a clause requiring the Subcontractors to include these clauses in any lower tier Subcontracts. The Contractor shall be responsible for compliance by any Subcontractor or lower tier Subcontractor with the clauses set forth in paragraphs (A) through (D) of this Article 47.1.

### 47.2 <u>Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)</u>

The Contractor certifies, represents and warrants that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier-to-tier up to the recipient (the Government of Puerto Rico).

# 47.3 Breach of Contract Terms

Any violation or breach of terms of this Contract on the part of the Contractor or a Subcontractor may result in the suspension or termination of this Contract or such other action, including the recovery of damages, as may be necessary to enforce the rights of

Page 97 of 182

PREPA. The duties and obligations imposed by this Contract and the rights and remedies available hereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

### 47.4 Clean Air Act and the Federal Water Pollution Control Act

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., and the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA shall, in turn, report each violation as required to ensure notification to the Government of Puerto Rico, FEMA, HUD and the EPA Regional Office. The Contractor agrees to include these requirements in each Subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

### 47.5 Sufficiency of Funds

The Contractor acknowledges and agrees that funding for this Contract is contingent upon the availability of Federal assistance awarded by federal agencies to the Government of Puerto Rico. A failure of PREPA to make any payment under this Contract due to unavailability of Federal and/or Government of Puerto Rico funding shall not constitute a breach of the Contract by PREPA or default thereunder and PREPA and the Government of Puerto Rico shall not be held financially liable therefore. If during the Term, Federal or local funding is reduced, de-obligated, or withdrawn, PREPA shall have the right to reduce the scope of or terminate any Task Order or the Contract. PREPA shall

Page 98 of 182

provide the Contractor with written notice of the lack of funding within a reasonable time and PREPA reserves all rights to reduce the scope of or terminate the Contract as a result of lack of funding.

### 47.6 FEMA Disaster Assistance Survivor/Registrant Data

A. If the Contractor has access to Disaster Assistance Survivor/Registrant data or any other personally identifiable information, the Contractor shall comply with the provisions of the Terms and Conditions for Sharing FEMA Disaster Assistance Survivor/Registrant Data with State Governments set forth in the FEMA-Government of Puerto Rico Contract for FEMA-4339-DR-PR.

B. The Contractor shall indemnify, defend, and hold PREPA and the Government of Puerto Rico harmless from any and all costs associated with the defense of that litigation, including legal costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this Contract.

#### 47.7 Costs

All costs incurred by the Contractor in performance of this Contract must be in accord with the cost principles of 2 C.F.R. pt. 200, Subpart E. PREPA shall not be required to make payments to the Contractor for costs which are found to be contrary to the cost principles 2 C.F.R. pt. 200, Subpart E.

Page 99 of 182

## 47.8 Financial Management System

The Contractor's financial management system shall provide for the following:

- A. accurate, current and complete disclosure of the financial results of this Contract and any other contract, grant, program or other activity administered by the Contractor;
- B. records adequately identifying the source and application of all Contractor funds and all funds administered by the Contractor which shall contain information pertaining to all contract and grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income, and shall be segregated by contract or on a contract-by-contract basis;
- C. effective internal control structure over all funds, property and other assets, sufficient to allow the Contractor to adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes;
- D. comparison of actual outlays with budgeted amounts for this Contract and for any other contract, grant, program or other activity administered by the Contractor;
  - E. accounting records supported by source documentation;
- F. procedures to minimize elapsed time between any advance payment issued and the disbursement of such advance funds by the Contractor; and
- G. procedures consistent with the provisions of any applicable policies of the Federal Government and the Government of Puerto Rico and procedures

Page 100 of 182

for determining the reasonableness, allowability and allocability of costs under this Contract.

## 47.9 Penalties, Fines, and Disallowed Costs

In the event that any U.S. Federal agency or the Government of Puerto Rico disallows or demands repayment for costs incurred in the performance of this Contract, or if any penalty is imposed due to an act or omission by the Contractor, the Contractor shall be solely responsible for such penalty, disallowed costs, or repayment demand, and shall reimburse PREPA in full within ten (10) days of receiving notice from PREPA of such penalty, disallowance, or repayment demand. Any monies paid by the Contractor pursuant to this provision shall not relieve the Contractor of liability to PREPA for damages sustained by PREPA by virtue of any other provision of this Contract.

### 47.10 Debarment, Suspension, and Ineligibility

A. The Contractor represents and warrants that the Contractor, it principals, and affiliates have not been debarred, suspended, or placed in ineligibility status under the provisions of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000 (government debarment and suspension regulations). The Contractor represents and warrants that it will not enter into any contracts or Subcontracts with any individual or entity which has been debarred, suspended or deemed ineligible under those provisions. During the Term, the Contractor shall periodically review SAM.gov and local notices to verify the continued accuracy of this representation.

Page 101 of 182

The Contractor shall require all Subcontractors at every tier to comply with this requirement.

B. This certification is a material representation of fact relied upon by PREPA. If it is later determined that the Contractor did not comply with 2 C.F.R. pt. 180, subpart C, and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Government of Puerto Rico and PREPA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

### 47.11 Reporting Requirements

The Contractor shall complete and submit all reports, in such form and according to such schedule, as may be required by PREPA.

#### 47.12 Review of Laws

The Contractor certifies and warrants that it will access online and read each law that is cited in the aforementioned clauses and that, in the event it cannot access the online version, it shall notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA shall be evidence that the Contractor was able to find it online and read it as required.

#### 47.13 Notice of FEMA Reporting Requirements and Regulations

A. The Contractor acknowledges and agrees that PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay for the costs incurred under this Contract. As a

Page 102 of 182

condition of FEMA funding under major disaster declaration FEMA-4339-DR-PR, FEMA requires the Government of Puerto Rico and PREPA to provide various financial and performance reporting. The Contractor agrees to provide all information, documentation, and reports necessary to satisfy these reporting requirements. The Contractor acknowledges and agrees that failure by the Contractor to maintain and provide information necessary to satisfy these reporting requirements, or to carry out all Work in accordance the applicable law, regulation and guidelines, may result in the loss of Federal funding for this Contract, and such failure shall constitute a material breach and Default under this Contract, entitling PREPA to [a reduction in the amounts owed to the Contractor in respect of Work performed to compensate for such loss of Federal funding as well as any other rights and] remedies under this Contract, the law or equity.

- B. Applicable regulations, FEMA policy, and other sources setting forth these reporting requirements include, but are not limited to:
  - 1. 2 C.F.R. § 327 (Financial Reporting);
  - 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
  - Performance and financial reporting requirements set forth in
     C.F.R. Part 206.

00 01 102

#### 47.14 Access to Records

- A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA and HUD Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are related to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.
- B. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- C. The Contractor agrees to provide the FEMA and HUD Administrators or their authorized representatives access to Sites pertaining to the Work.

### 47.15 Retention Requirements for Records

- A. The Contractor agrees to maintain all books, records, accounts and reports and all other records produced or collected in connection with this Contract for a period of not less than three (3) years after the date of final payment and closed-out of all pending matters related to this Contract. If any litigation, claim, or audit is reasonably anticipated to arise or is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- B. Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for

Page 104 of 182

a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass- through entity in the case of a sub- recipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

- If any litigation, claim, or audit is started before the expiration
  of the 3-year period, the records must be retained until all
  litigation, claims, or audit findings involving the records have
  been resolved and final action taken.
- When PREPA is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- Records for real property and equipment acquired with Federal funds must be retained for three (3) years after final disposition.
- 4. When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3- year retention requirement is not applicable to the non-Federal entity.

Page 105 of 182

- 5. Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.
- 6. This paragraph applies to the following types of documents and their supporting records: in- direct cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).
- 7. If the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
- 8. If the proposal, plan, or other computation is not required to be submitted to the Federal government (or to the pass-through entity) for negotiation purposes, then the 3-year

Page 106 of 182

retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

# 47.16 Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.

### 47.17 Procurement of Recovered Materials

In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—(i) competitively within a timeframe providing for compliance with the Contract performance schedule; (ii) meeting Contract performance requirements; or (iii) at a reasonable price. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program.

#### 47.18 Equal Opportunity

During the performance of this Contract, the Contractor agrees as follows:

A. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, gender, sexual identity, sexual orientation, gender identity, or national origin. The Contractor shall-

Page 107 of 182

take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, gender, sexual identity, sexual orientation, gender identity, 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. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

- B. The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, gender, sexual identity, sexual orientation, gender identity, or national origin.
- C. The Contractor shall not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other

Page 108 of 182

employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

- D. The Contractor shall send to each labor union or representative of workers with which it has a collective bargaining Contract or other contract or understanding (if any) a notice advising the labor union or workers' representative of the Contractor's commitments under section 202 of the US Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- E. The Contractor shall comply with all provisions of Executive Order
   11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- F. The Contractor shall furnish all information and reports required by Executive Order 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records, and accounts by PREPA and any Governmental Authority for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- G. In the event of the Contractor's non-compliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part

Page 109 of 182

and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

H. The Contractor shall include the provisions of paragraphs (A) through (H) in every Subcontract or purchase order, unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, so that such provisions shall be binding upon each Subcontractor or vendor. The Contractor shall take such action with respect to any Subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

## 47.19 Energy Efficiency

The Contractor agrees to comply with the requirements of 42 U.S.C. § 6201, which contain policies relating to energy efficiency that are defined in the Government of Puerto Rico's energy conservation plan issued in compliance with said statute.

Page 110 of 182

### 47.20 Age Discrimination Act of 1975

The Contractor shall comply with the provisions of the Age Discrimination Act of 1975. 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.

#### 47.21 Americans with Disabilities Act

The Contractor shall comply with the appropriate areas of the Americans with Disabilities Act of 1990, as enacted and from time to time amended, and any other applicable federal regulation. A signed, written certificate stating compliance with the Americans with Disabilities Act may be requested at any time during the Term.

#### 47.22 Title VI of the Civil Rights Act of 1964

The Contractor shall comply with the provisions of Title VI of the Civil Rights Act of 1964. No person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

#### 47.23 Section 504 of the Rehabilitation Act of 1973, as Amended

The Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of its disability, be denied the benefits, or be subjected to discrimination including discrimination in employment, any program or activity that receives the benefits from the federal financial assistance.

Page 111 of 182

### 47.24 Drug-Free Workplace

The Contractor shall maintain a drug-free work environment in accordance with the Drug-Free Workplace Act of 1988 (41 U.S.C. § 8101 et seq.), and implementing regulations at 2 C.F.R Part 3001.

## 47.25 Compliance with Laws, Regulation and Executive Orders

The Contractor acknowledges that FEMA and HUD financial assistance will be used to fund this Contract. The Contractor shall comply with all Applicable Law, regulations, executive orders, policies, procedures, and directives, including but not limited to all Federal Cost Principles set forth in 2 C.F.R. Part 200, and all applicable FEMA and HUD regulations in 44 C.F.R. Chapter I and 2 C.F.R. Part 200.

### 47.26 Provisions Required by Law Deemed Inserted

Each and every provision required by law regulation, executive order, policy, procedure, directive, Federal grant award or agreement, or cooperative agreement with any Federal agency to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included herein. If, through mistake or otherwise, any provision is not inserted, or is not correctly inserted, then upon the application of either Party, the Contract shall be amended to make such insertion or correction.

#### 47.27 Agreement to Execute Other Required Documents

The Contractor and all Subcontractors, by entering into the Contract, understand and agree that funding for the Work is provided under Federal programs with specific

Page 112 of 182

contracting requirements. To the extent any such requirement is not otherwise set forth herein, the Contractor agrees to execute such amendments or further agreements as may be necessary to ensure that PREPA receives Federal funding for this Contract.

## 47.28 U.S. Department of Homeland Security Seal, Logo, and Flags

The Contractor shall not use the U.S. Department of Homeland Security seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre- approval.

### 47.29 No Obligation by the Federal Government

PREPA and the Contractor acknowledge and agree that the Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to PREPA, the Contractor, or any other party pertaining to any matter resulting from the Contract.

#### 47.30 General

All contracts shall contain a clause identifying the type of Contract and the mandatory clauses contained on the latest released HUD forms, as applicable to the Contract type. All contracts, except for general management consulting services, will include performance requirements and liquidated damages.

#### 47.31 Section 3 of the Housing and Urban Development Act of 1968

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The Work to be performed under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as

Page 113 of 182

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 Contract 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 Contract, the Parties to this Contract 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 shall post copies of the notice in conspicuous places at the 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.

Page 114 of 182

- 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 shall 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 shall certify and warrant 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 Contract 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 Contract. Section 7(b) requires that to the greatest extent

Page 115 of 182

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 Contract 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).

### 47.32 <u>HUD Section 3 Requirements</u>

- A. Section 3 clause required in subcontracts. All Section 3 covered contracts must include a Section 3 clause in accordance with 24 C.F.R. § 135.38. A Section 3 covered contract means a contract or subcontract (including a professional service contract) awarded by a recipient or Contractor for work generated by the expenditure of section 3 covered assistance, or for work arising in connection with a section 3 covered project. "Section 3 covered contracts" do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by section 3.
  - (1) "Section 3 covered assistance" means assistance provided under any HUD housing or community development program that is expended for work

Page 116 of 182

arising in connection with public construction projects (which includes other buildings or improvements, regardless of ownership).

- (2) A "Section 3, covered project" means, among other things, public construction which includes buildings or improvements (regardless of ownership) assisted with community development assistance.
- B. <u>Section 3 minimum contracting goals</u>. Contractor must endeavor to meet the following minimum goals for contracting under HUD funded contracts, as applicable:
  - (1) Arising in connection with public construction shall be awarded to Section 3 businesses. Public construction includes infrastructure work, such as extending water and sewage lines, sidewalk repairs, site preparation, installing conduits for utility services, etc.
  - (2) Three (3) percent of the total dollar amount of all non-construction Section 3 covered contracts shall be awarded to Section 3 businesses. Section 3 covered non-construction projects include maintenance contracts, including lawn care, re-painting, routine maintenance, HVAC servicing, and professional service contracts associated with construction (e.g., architectural, engineering, legal services, accounting, marketing, etc.).
- C. A Section 3 business is one that can demonstrate it meets one of the following criteria:
  - (1) 51 percent or more owned by Section 3 residents; or

Page 117 of 182

- (2) has permanent, full time employees at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- (3) has a commitment to sub-contract in excess of 25 percent of the total dollar award of all sub-contracts to be awarded to such businesses described above.
- D. Order of preference for Section 3 business concerns in contracting opportunities. Contractor and any subcontractors shall direct their efforts to award section 3 covered contracts, to the greatest extent feasible, to section 3 business concerns in the following order of priority (24 C.F.R. § 135.36), where feasible:
  - (1) section 3 business concerns that provide economic opportunities for section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses);
  - (2) applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses); and
  - (3) other section 3 business concerns.
- E. <u>Eligibility for preference</u>. A business concern seeking to qualify for a section 3 contracting preference shall certify or submit evidence, if requested, that the business concern is a section 3 business concern as defined in 24 C.F.R. § 135.5.

Page 118 of 182

F. Ability to complete contract. A section 3 business concern seeking a contract or a subcontract shall submit evidence to Contractor or Subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the Party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 ( 2 CFR 200.318(h).) This regulation requires consideration of, among other factors, the potential Contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

### 47.33 Additional Fair Labor Standards Provisions (HUD Form 4010)

- A. <u>Applicability</u>. The project or program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.
- B. <u>Minimum Wages</u>. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary

Page 119 of 182

of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between Contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I (b)( 2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5. 5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29

Page 120 of 182

102

CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by Contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

- (1) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:
  - (i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
  - (ii) The classification is utilized in the area by the construction industry; and
  - (iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
  - (b) If Contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration,

Page 121 of 182

- U. S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215- 0140.)
- (c) In the event the Contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)
- (d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (B)(1)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this

Page 122 of 182

contract from the first day on which work is performed in the classification.

- (2) Whenever the minimum wage rate prescribed in the contract for a class of laborer or mechanics includes a fringe benefit which is not expressed as an hourly rate, Contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- (3) If Contractor does not make payments to a trustee or other third person, Contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis- Bacon Act have been met. The Secretary of Labor may require Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)
- C. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from Contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held

Page 123 of 182

by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by Contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the Contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to Contractor, disburse such amounts withheld for and on account of Contractor or Subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

D. Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by Contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section

Page 124 of 182

> I(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis- Bacon Act, Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

> (1) (a) Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a Party to the contract, but if the agency is not such a Party, Contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall

> > Page 125 of 182

set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Website http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and Subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a Party to the contract, but if the agency is not such a Party, Contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, Contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a Subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by

Page 126 of 182

the Office of Management and Budget under OMB Control Number 1215-0149.)

- (b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by Contractor or Subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
  - (i) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;
  - (ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;
  - (iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

- (c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).
- (d) The falsification of any of the above certifications may subject Contractor or any Subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.
- (2) Contractor or Subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If Contractor or Subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the Contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

Page 128 of 182

# E. Apprentices and Trainees.

(1) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to contractors to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on

Page 129 of 182

the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Contractor's or Subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, Contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(2) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee

Page 131 of 182

performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- (3) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.
- F. <u>Compliance with Copeland Act requirements</u>. Contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.
- G. <u>Subcontracts</u>. Contractor or Subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by

Page 132 of 182

any Subcontractor or lower tier Subcontractor with all the contract clauses in this paragraph.

- H. <u>Contract termination</u>; <u>debarment</u>. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a Subcontractor as provided in 29 CFR 5.12.
- Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts
   1, 3, and 5 are herein incorporated by reference in this contract.
- J. <u>Disputes concerning labor standards</u>. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between Contractor (or any of its Subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

### K. Certification of Eligibility.

(1) By entering into this contract, Contractor certifies that neither it (nor he or she) nor any Person or firm who has an interest in the Contractor's firm is a Person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

Page 133 of 182

- (2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.
- (3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration....makes, utters or publishes any statement knowing the same to be false....shall be fined not more than \$5,000 or imprisoned not more than two years, or both."
- L. <u>Complaints, Proceedings, or Testimony by Employees</u>. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by Contractor or any Subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.
- M. <u>Health and Safety</u>. The provisions of this paragraph are applicable where the amount of the prime contract exceeds \$100,000:

-

- (1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.
- (2) Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.
- (3) Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each Subcontractor. Contractor shall take such action with respect to any Subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

### 47.34 Compliance with the Davis-Bacon Act

- A. The Contractor shall comply with the Davis-Bacon Act, 40 U.S.C. §§ 3141–3148, and the requirements of 29 C.F.R. § 5.5 as may be applicable, which are incorporated by reference into this Contract.
- B. The Contractor or Subcontractor shall insert in any Subcontracts the foregoing clause and such other clauses as FEMA and HUD may by appropriate instructions require. The Contractor shall require all Subcontractors to include these clauses in any lower tier subcontracts. The Contractor shall be responsible

Page 135 of 182

for the compliance by any Subcontractor or lower tier Subcontractor with all of these contract clauses.

C. A breach of the contract clauses above may be grounds for termination of the Contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

### 47.35 Puerto Rico Energy Conservation Plan

Contractor must act in compliance, when applicable, with the mandatory standards and policies relating to energy efficiency which are contained in the Commonwealth's energy conservation plan.

### 47.36 Patent Rights

All contracts are subject to the patent rights with respect to any discovery or invention which arises or is developed during or under such Contract in accordance with 37 C.F.R. Section 401.2(a) and 37 C.F.R. Part 401.

- 47.37 Compliance with the Copeland Anti-Kickback Act (applicable to all contracts subject to the Davis-Bacon Act)
  - A. The Contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3, as may be applicable, all of which are incorporated by reference into this Contract.
  - B. The Contractor and Subcontractor shall insert in any subcontracts the foregoing clause and such other clauses as FEMA and HUD may by appropriate instructions require. The Contractor shall require all Subcontractors to

Page 136 of 182

include these clauses in any lower tier Subcontracts. The Contractor shall be responsible for the compliance by any Subcontractor or lower tier Subcontractor with all of these contract clauses.

C. A breach of the contract clauses above may be grounds for termination of the contract and for debarment as a contractor and subcontractor, as provided in 29 C.F.R. § 5.12.

47.38 <u>Buy American—Construction Materials Under Trade Agreements (Oct 2016)</u>

- A. Definitions. As used in this Article—
  - Caribbean Basin country construction material means a
     construction material that—
    - a. Is wholly the growth, product, or manufacture of a Caribbean
       Basin country; or
    - b. In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a Caribbean Basin country into a new and different construction material distinct from the materials from which it was transformed.
  - 2. Commercially available off-the-shelf (COTS) item
    - a. Means any item of supply (including construction material)
      that is—

Page 137 of 182

- i. A commercial item (as defined in paragraph (1) of the definition at FAR 2.101);
- ii. Sold in substantial quantities in the commercial marketplace; and
- iii. Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and
- Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.
- Component means an article, material, or supply incorporated directly into a construction material.
- 4. Construction material means an article, material, or supply brought to the Site by the Contractor or Subcontractor for incorporation into the building or Work. The term also includes an item brought to the Site preassembled from articles, materials, or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, that are discrete systems incorporated into a public building or Work and that are produced as complete systems, are evaluated as a single and distinct

Page 138 of 182

construction material regardless of when or how the individual parts or components of those systems are delivered to the Site. Materials purchased directly by the Government are supplies, not construction material.

### 5. Cost of components means—

- a. For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the construction material (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
- b. For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the construction material.
- 6. **Designated country** means any of the following countries:
  - a. A World Trade Organization Government Procurement
     Agreement (WTO GPA) country (Armenia, Aruba, Austria,
     Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic,
     Denmark, Estonia, Finland, France, Germany, Greece, Hong

Page 139 of 182

Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, Ukraine, or United Kingdom);

- A Free Trade Agreement (FTA) country (Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Korea (Republic of), Mexico, Morocco, Nicaragua, Oman, Panama, Peru, or Singapore);
- c. A least developed country (Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, or Zambia); or

Page 140 of 182

- d. A Caribbean Basin country (Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bonaire, British Virgin Islands, Curacao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saba, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sint Eustatius, Sint Maarten, or Trinidad and Tobago).
- 7. Designated country construction material means a construction material that is a WTO GPA country construction material, an FTA country construction material, a least developed country construction material, or a Caribbean Basin country construction material.
- 8. Domestic construction material means—
  - An unmanufactured construction material mined or produced in the United States;
  - A construction material manufactured in the United States,
     if
    - i. The cost of its components mined, produced, or manufactured in the United States exceeds fifty percent (50%) of the cost of all its components.

      Components of foreign origin of the same class or kind for which non-availability determinations have been made are treated as domestic; or

Page 141 of 182

- ii. The construction material is a COTS item.
- Foreign construction material means a construction material other than a domestic construction material.
- 10. Free Trade Agreement country construction material means a construction material that
  - a. Is wholly the growth, product, or manufacture of a Free Trade

    Agreement (FTA) country; or
  - b. In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in an FTA country into a new and different construction material distinct from the materials from which it was transformed.
- 11. Least developed country construction material means a construction material that
  - a. Is wholly the growth, product, or manufacture of a least developed country; or
  - b. In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a least developed country into a new and different construction material distinct from the materials from which it was transformed.

Page 142 of 182

- 12. **United States** means the fifty (50) States, the District of Columbia, and outlying areas.
- 13. WTO GPA country construction material means a construction material that
  - a. Is wholly the growth, product, or manufacture of a WTO GPA country; or
  - b. In the case of a construction material that consists in whole or in part of materials from another country, has been substantially transformed in a WTO GPA country into a new and different construction material distinct from the materials from which it was transformed.

### B. Construction materials.

1. This Article implements 41 U.S.C. chapter 83, Buy American, by providing a preference for domestic construction material. In accordance with 41 U.S.C. § 1907, the component test of the Buy American statute is waived for construction material that is a COTS item. (See FAR 12.505(a)(2)). In addition, the Contracting Officer has determined that the WTO GPA and Free Trade Agreements

Page 143 of 182

(FTAs) apply to this acquisition. Therefore, the Buy American restrictions are waived for designated country construction materials.

- 2. The Contractor shall use only domestic or designated country construction material in performing this Contract, except as provided in paragraphs (B)(3) and (B)(4) of this Article.
- 3. The requirement in paragraph (B)(2) of this Article does not apply to information technology that is a commercial item or to the construction materials or components listed by the Government as follows:

[Contracting Officer is to list applicable excepted materials or indicate "none"]

- 4. The Contracting Officer may add other foreign construction material to the list in paragraph (B)(3) of this Article if the Government determines that
  - a. The cost of domestic construction material would be unreasonable. The cost of a particular domestic construction material subject to the restrictions of the Buy American statute is unreasonable when the cost of such material exceeds the cost of foreign material by more than 6 percent;
  - b. The application of the restriction of the Buy American statute to a particular construction material would be impracticable or inconsistent with the public interest; or

Page 144 of 182

- c. The construction material is not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality.
- C. Request for determination of inapplicability of the Buy American statute.
- 1. (i) Any Contractor request to use foreign construction material in accordance with paragraph (B)(4) of this Article shall include adequate information for Government evaluation of the request, including
  - a. A description of the foreign and domestic construction materials;
    - b. Unit of measure;
    - c. Quantity;
    - d. Price;
    - e. Time of delivery or availability;
    - f. Location of the Work;
    - g. Name and address of the proposed supplier; and
  - h. A detailed justification of the reason for use of foreign construction materials cited in accordance with paragraph (B) of this Article.
    - i. A request based on unreasonable cost shall include a reasonable survey of the market and a completed price comparison table in the format in paragraph (D) of this Article.

Page 145 of 182

- ii. The price of construction material shall include all delivery costs to the Site and any applicable duty (whether or not a duty-free certificate may be issued).
- iii. Any Contractor request for a determination submitted after contract award shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before contract award. If the Contractor does not submit a satisfactory explanation, the Contracting Officer need not make a determination.
- i. If the Government determines after Contract award that an exception to the Buy American statute applies and the Contracting Officer and the Contractor negotiate adequate consideration, the Contracting Officer shall modify the Contract to allow use of the foreign construction material. However, when the basis for the exception is the unreasonable price of a domestic construction material, adequate consideration is not less than the differential established in paragraph (B)(4)(a) of this Article.
- j. Unless the Government determines that an exception to the Buy American statute applies, use of foreign construction material is noncompliant with the Buy American statute.

Page 146 of 182

D. To permit evaluation of requests under paragraph (C) of this Article based on unreasonable cost, the Contractor shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Construction Materials Price Comparison

Construction material description	Unit of measure	Quantity	Price (dollars)1
Item 1:			
Foreign construction material			
Domestic construction material			
Item 2:			
Foreign construction material			
Domestic construction material			

- E. Include all delivery costs to the Site and any applicable duty (whether or not a duty-free entry certificate is issued).
- F. List name, address, telephone number, and contact for suppliers surveyed.

  Attach copy of response; if oral, attach summary.
  - G. Include other applicable supporting information.

### Notes:

- 1. List in paragraph (B)(3) of the clause all foreign construction material excepted from the requirements of the Buy American statute, other than designated country construction material.
- 2. If the head of the agency determines that a higher percentage is appropriate, substitute the higher evaluation percentage in paragraph (B)(4)(i).

Page 147 of 182

### H. Restrictions on Certain Foreign Purchase

- 1. Except as authorized by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury, the Contractor shall not acquire, for use in the performance of this Contract, any supplies or services if any proclamation, Executive order, or statute administered by OFAC, or if OFAC's implementing regulations at 31 C.F.R. chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States.
- 2. Except as authorized by OFAC, most transactions involving Cuba, Iran, and Sudan are prohibited, as are most imports from Burma or North Korea, into the United States or its outlying areas. Lists of entities and individuals subject to economic sanctions are included in OFAC's List of Specially Designated **Nationals** and Blocked Persons at http://www.treas.gov/offices/enforcement/ofac/sdn. More information about these restrictions, as well as updates, is available in the OFAC's regulations at 31 C.F.R. chapter V and/or on OFAC's Web site at http://www.treas.gov/offices/enforcement/ofac.
- 3. The Contractor shall insert this Article, including this paragraph (3), in all Subcontracts.
- I. Inconsistency Between English Version and Translation of Contract

  In the event of inconsistency between any terms of this Contract and any translation into another language, the English language meaning shall control.

Page 148 of 182

### ARTICLE 48. Confidentiality

The Contractor and PREPA will treat, and will cause its personnel to treat, all Confidential Information as confidential and proprietary, and the Contractor and PREPA shall not, and will ensure that its parent and each of their respective officers, directors, representatives, agents, and employees shall not, disclose such Confidential Information to any person or entity without the prior written consent of the other Party. The Contractor and PREPA will not, and the Contractor and PREPA will ensure that their respective officers, directors, representatives, agents, and employees will not use any Confidential Information except in connection with the Work and will not disclose details of the Work to any third party except to those who are to perform the Work, and then only (i) to the extent required to perform the particular portion of the Work; (ii) if the third party agrees to keep such Confidential Information confidential and (iii) prior to disclosing any Confidential Information to any Subcontractor or other contractor necessary to perform the Work, the Contractor and PREPA shall bind such Subcontractor or other contractor to the confidentiality obligations contained in this Article 49 (Confidentiality). The Contractor and PREPA will take, and the Contractor and PREPA will ensure that the their respective officers, directors, representatives, agents, oan employees will take, all reasonable precautions to safeguard any documents containing Confidential Information that each Party provides to the other Party under this Contract or any Task Order. The terms of this provision shall survive the termination of this Contract.

Page 149 of 182

The Contractor and PREPA will obtain the other Party's prior written approval before making any announcement or publication concerning the Work. Each Party and their respective officers, directors, representatives, agents, or employees shall not take, use or publish photographs or videos of the Work at any time unless prior written authorization is obtained from the other Party.

### ARTICLE 49. Complete Agreement

This document, together with all attachments referred to herein and each Task Order issued under this Contract, constitutes the entire agreement between the parties as to this subject matter and supersedes all communications, negotiations, and agreements of the Parties, whether written or oral, other than these, made prior to the signing of this Contract.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of this 28 day of 2020, in San Juan, Puerto Rico.

**Puerto Rico Electric Power Authority** 



Acting Chief Executive Officer
Tax ID: 660-43 Recorder

MasTec Renewable Puerto Rico, LLC



John Audi Executive Vice President Tax ID: 660-75-Redacted

### APPENDIX A

### FORM OF TASK ORDER

[NTD: All bracketed text shall be completed prior to execution of the Task Order, as further detailed below.]

-		
TASK ORDER #		
This TASK ORDER ("Task Order") is entered into on this day of, 20]		
("Task Order Effective Date"), by and between [Puerto Rico Electric Power Authority]		
("PREPA") and [] (the "Contractor") and is hereby incorporated into the		
Master Service Agreement dated [], 20[], between the Contractor and		
PREPA (the "Contract"). Capitalized terms not defined herein shall have the meaning set		
forth in the Contract.		
1. Facility and Site Description — The Contractor shall provide Work for the		
following facility on the following Site: [NTD: The following lines shall name the		
"facility", as well as the specific location within such facility, e.g.		
[]. It's highly preferred that such location be as specific as		
possible. It is recommended that a drawing detailing the work areas in		
relation to other portions of the facility is included in <u>Schedule 1</u> .]		
]		

Schedule 1 describes the Site in further detail.

Page 151 of 182

2.	<b>Description of Work</b> — In addition to the Work required under the Contract to be
	performed by the Contractor, the Contractor shall perform the Work described in
	Schedule 2.

	Effective Date), or a calendar date (i.e. December 31, 2020).]
	Days from the Task Order Effective Date (i.e. X days from Task Order
	[]. [NTD: Such date may be represented in the number of
	ensure that Completion of the Work occurs by the Target Completion Date of
	milestone schedule set forth in Schedule 3 of this Task Order. The Contractor shall
3.	Project Schedule — The Contractor's performance of Work shall comply with the

- 4. Reimbursable Compensation PREPA shall pay the Contractor for the Work based on the rates established in Appendix E of the Contract, subject to a maximum of \$[•] for this Task Order. [PREPA shall reimburse the Contractor for the demonstrated cost of mobilization, subject to a maximum of \$[•] for this Task Order, which amount shall not include mobilization of any personnel or equipment previously paid for by PREPA.]
- 5. **Delay Liquidated Damages** [_] Yes [_] No. The Delay Liquidated Damages, if any, are set forth in Schedule 4 of this Task Order. [NTD: Please mark Yes or No. One box must be marked.]
- Permits Schedules 5 and 6 set forth the Contractor permits and the PREPA permits for this Task Order, respectively.

Page 152 of 182

- 7. PREPA-Supplied Equipment Schedule 7 sets forth the PREPA-Supplied Equipment for this Task Order.
- 8. **Technical Specifications and Drawings** Part 3 of Schedule 2 sets forth any technical specifications and drawings for this Task Order.
- Codes and Standards The Contractor shall comply with the codes and standards set forth in Part 2 of Schedule 2, in addition to any other applicable law and the requirements of the Contract.
- 10. [Tests on Completion The Contractor shall conduct, and ensure that the Work passes (in the reasonable judgment of PREPA), the tests set forth in Part 4 of Schedule 2 prior to Final Acceptance and again prior to the expiration of the Warranty Period.]

Other Specific Information, Responsibilities or Obligations ¹ —		
ſ		
PREPA's Engineer & Contact Details —		
r		

Page 153 of 182

¹ NTD: Include any insurance, dispute or other Work specific obligations.

The Contractor's Construction Manager & Contact Details —	
The Con	tractor's Safety Officer & Contact Details —
1110 0011	nactor 3 carety critical a contact Deans
Heading	s and Captions — The headings and captions contained in this Tas
Order ar	e for convenience and reference only and in no way define, describe
extend o	limit the scope of intent of this Task Order or the intent of any provisio
contained	d herein.

Page 154 of 182

IN WITNESS WHEREOF, the Parties hereto have executed this Task Order through their duly authorized officers to be effective as of the Task Order Effective Date.

THE CONTRACTOR	PREPA
	[Puerto Rico Electric Power Authority]
Ву:	Ву:
Signature	Signature
Nam <b>e</b>	Name
Title	Title

Page 155 of 182

**SCHEDULE 1** 

SITE

[To be developed on a Task Order by Task Order basis.]

Page 156 of 182

### **SCHEDULE 2**

### SCOPE OF WORK

1. Scope of Work

[NTD: Insert detailed description of Work to be performed under this Task Order.]

2. Applicable Codes and Standards

[NTD: Insert Additional Applicable Codes and Standards. If not applicable, enter "N/A".]

3. Technical Specifications and Drawings

[NTD: Insert Technical Specifications and Drawings.]

4. Tests on Completion

[NTD: Insert Technical Specifications and Drawings.]

### SCHEDULE 3

### PROJECT SCHEDULE

Milestones	Milestone Date*
Target Completion Date	

*Note: Milestone Dates may be calendar dates or number of days from the Task Order Effective Date.

Page 158 of 182

### SCHEDULE 4

### **DELAY LIQUIDATED DAMAGES**

In accordance with the Contract, if Completion occurs after the Target Completion Date set forth in <u>Schedule 3</u> of this Task Order, the Contractor shall pay to PREPA Delay Liquidated Damages in the amounts set forth in this <u>Schedule 4</u> per day for each day, or portion thereof, of delay until Completion occurs: [Drafting Note: If Delay Liquidated Damages are not applicable, please delete all text (except for "Appendix A, Schedule 4" and insert "Intentionally Not Used.]

Period	Delay Liquidated Damages
For each day after the Target Completion Date:	U.S. [\$] per day

Page 159 of 182

### **SCHEDULE 5**

### **CONTRACTOR PERMITS**

The Contractor shall be responsible for obtaining the following Permits and any other Permits required by the Contract.

Issuing Agency	Permit Description	Date Required or Received
Federal		W
Commonwealth		
	7.1	
Other Applicable Govern	nmental Authorities	THE RESERVE OF THE PARTY OF THE

Page 160 of 182

### **SCHEDULE 6**

### **PREPA PERMITS**

PREPA shall provide the Permits listed below within the times set forth below.

Issuing Agency	Permit Description	Date Required or Received
Federal	NEW YORK OF THE PERSON OF THE	
		*
	221 101	
Commonwealth		
	THE WAY TO SHE	
Other Applicable Gove	ernmental Authorities	Mile of Life Tom Y

Page 161 of 182

# SCHEDULE 7 COMPANY-SUPPLIED MATERIALS

[To be provided]

Page 162 of 182

### APPENDIX B

#### FORM OF CHANGE ORDER

(for use when the Parties agree upon and execute a Change Order pursuant to the

Contract and the applicable Task Order)

CONTRACT NO.: [_____] CHANGE ORDER NUMBER: _____ DATE OF CONTRACT: [•] DATE OF CHANGE ORDER: TASK ORDER NO.: [______] DATE OF TASK ORDER: [•] The above referenced Task Order 
or Contract (select one or both) between the Parties listed above is changed as follows: (attach additional documentation if necessary) Adjustment to schedule (including changes to Target Completion Date): (insert N/A if no changes or impact; attach additional documentation if necessary) Adjustment to price: 1. The original [Contract Price] was.....\$ 2. Net change by previously authorized Change Orders (COs#____) .....\$_____ 3. The [Contract Price] prior to this Change Order was.....\$ 4. The [Contract Price] will be (increased) (decreased) (unchanged) by this Change Order in the amount of.....\$____ 5. The new [Contract Price] including this Change Order will be ......\$

Page 163 of 182

Other Adjustment (provide description of adjustment made by this Change Order):

(insert N/A if no changes or impact; attach additional documentation if necessary)

Upon execution of this Change Order by the Contractor and PREPA, the above-referenced change shall become a valid and binding part of the above referenced Contract and/or Task Order, as applicable, without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Contract and/or Task Order, as applicable, shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

[Insert name of the Contractor]	[PREPA]	
 Ву	Ву	
Name	Name	
Title	Title	

Page 164 of 182

#### APPENDIX C

### FORM OF PERFORMANCE GUARANTEE

### **UNCONDITIONAL ON-DEMAND BANK GUARANTEE**

[Bank's Name, and Address of Issuing Branch or Office]

Beneficiary: PUERTO RICO ELECTRIC POWER AUTHORITY

Address; [•]
Attn: [•]

Date: [•]

[Insert Description of Work under Task Order] - Performance Security No. [•]

We understand that [insert name of the Contractor] (the "Applicant") has entered into a contract with you, the Beneficiary, dated [•] (as amended, the "Contract"). Furthermore, we understand that, pursuant to the Task Order issued on [date], the Contract requires a performance guarantee.

At the request of the Applicant, we [name of Bank], hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [•] United States Dollars (USD [•]), upon receipt by us of your first demand in writing in the form attached as Annex A hereto (signed by your authorized representative), without your needing to prove or to show grounds for your demand or the sum specified therein. We shall remit all payment(s) under this guarantee into a bank account of your choice and discretion as specified in your written demand. You may make one or more demands under this guarantee.

This guarantee shall enter into force and effect upon expiry of Performance Guarantee No. [•], dated [•] and issued by [•].

This guarantee shall expire on the earlier to occur of (i) the date that you deliver a certificate to us, confirming that the Principal has delivered to you a new guarantee that replaces this guarantee in accordance with the Contract, and (ii) [date]². Consequently, we must receive any demand for payment under this guarantee at this office on or before such expiry date. Upon its expiry, you shall return the present guarantee to us. It will however become null and void, irrespective of whether you have returned it.

The Beneficiary may assign and transfer its rights under this guarantee to its lenders pursuant to its financing agreements. The Guarantor shall have no obligation to make any kind of payment to any assignee and/or transferee unless the Beneficiary has notified the Guarantor in writing of such assignment and/or transfer. For the avoidance of doubt, the Guarantor hereunder shall have no obligation to make any kind of payment to any other party, transferee and/or assignee if it suspects or has reasonable grounds or of the opinion that such payment has the potential of violating any applicable trade sanctions or anti-money laundering regulations.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 758, excluding sub-article 15 (a), and to the extent not inconsistent therewith, the laws of *[jurisdiction of the Qualified Bank]*. In the event of a conflict between the terms of this guarantee and the Uniform Rules for Demand Guarantees, ICC Publication No. 758, the terms of this guarantee shall prevail.

Page 166 of 182

² The date should reflect the date 60 days after the expiration of the Warranty Period for the relevant Task Order.

The courts of the [United States federal courts in the Commonwealth of Puerto Rico] shall have non-exclusive jurisdiction in respect of all disputes arising out of this guarantee.

By:

**Authorized Signatory** 

#### ANNEX A - FORM OF DEMAND LETTER

[Letterhead of Beneficiary]

[Name of Guarantor]

Date: [•]

[Insert Work Description] - Performance Guarantee No. [•]

We refer to the above-captioned Unconditional On-Demand Bank Guarantee (the "Guarantee"). Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them in the Guarantee. We hereby inform you that the Contractor has breached its obligations under the Contract, and/or other related agreements, entitling us to call upon the Guarantee. This letter serves as our demand for payment under the Guarantee. We request that you immediately pay the sum of [•] into the bank account below:

Account Name: [•]
Account Number: [•]
Bank Name: [•]
Bank Address: [•]

Yours very truly,

[The Puerto Rico Electric Power Authority]

[•]

By:
Authorized Signatory

Swift Code:

#### APPENDIX D

#### FORM OF UNCONDITIONAL WAIVER AND RELEASE OF LIENS

**DEED OF UNCONDITIONAL WAIVER AND RELEASE OF LIENS (this "Deed")** dated [•]

Issued by [●], a limited company organized and existing under the laws of [●], with a registered address at [●] (the "Contractor");

In Favor of The Puerto Rico Electric Power Authority, a public corporation and government instrumentality of the Commonwealth of Puerto Rico (the "Employer");

#### Whereas:

- A. The Employer and the Contractor have entered into an agreement dated [•] (as amended from time to time, the "Contract") for the execution of certain permanent works as set out in a Task Order dated [•] (the "Work"); and
- B. pursuant to Article 3.6 of the Contract, the Contractor has agreed to execute and deliver this Deed of Unconditional Waiver and Release of Liens ("Release") in respect of the Work;

NOW, THEREFORE, the Contractor, does for itself, its successors, heirs and assignees, hereby state, affirm and agree that:

in accordance with the terms and conditions of this Release, the Contractor does
hereby release and forever discharge the Employer and its respective officers,
directors, agents, servants and employees, and all lands, improvements, chattels,
and other real and personal property connected with or a part of the Work from

- any and all contractual liens and any other liens arising by operation of law or otherwise in connection with, or arising out of, the performance of the Work;
- 2. the Contractor hereby specifically waives and releases any claim, lien, right to lien, security interest or encumbrance of any kind in connection with the Contract against the Employer, the Employer's property and the Work, and also specifically waives, to the fullest extent allowed by applicable laws, all claim, liens, rights of lien, or encumbrances in connection with the Contract by the Contractor's subcontractors, materialmen, laborers, and all other persons or entities furnishing services, labor, or materials in connection with the Contract that may exist under applicable laws, with respect to and on the Work, the Site and any and all interests therein, and all improvements and materials placed on the Site, or machinery furnished by the Contractor for the Work;
- 3. the Contractor certifies and represents that no person or entity has filed any liens, notice of intention to claim a lien, or proceeding to establish a lien, arising out of or in connection with the Work; and no debt with any Subcontractor, manufacturer, employee, Governmental Authority and service or materials provider exists;
- 4. the release provided for herein of any and all liens in connection with or arising out of the performance of the Work shall not otherwise affect the rights of the Employer and the Contractor under the Contract, including rights based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for performance of the Work that the Employer has not compensated the Contractor for performance of such work in accordance with the terms of the Contract; and

Page 170 of 182.

5. the giving of this Release by the undersigned shall not operate in any way to reduce or modify any guarantee or warranty or to release the undersigned therefrom.

Unless the context otherwise requires, capitalized terms used in this Release shall have the meanings ascribed to them in the Contract.

EXECUTED AS A DEED	)
acting by [●]	)
	)
	)
acting in accordance with	)
the Contractor's constitutional documents	)

CONTRACTOR

IN WITNESS WHEREOF this Deed has been duly executed as a deed by the Contractor and is intended to be and is hereby delivered by it and takes effect as a deed on the date specified above.

### APPENDIX E

### **RATES**

### 1. LABOR RATES

Labor

Hr.

Unit Price	
Program Manager Hr.	\$250.00
Contract and Administration Manager Hr.	\$134.50
Field Operations Manager Hr.	\$240.00
Environmental Compliance Manager Hr.	\$175.00
Equipment Maintenance and Repair Manager Hr.	\$140.00
Health and Safety Manager Hr.	\$165.00
Human Resources Manager Hr.	\$100.00
Information Technology Manager Hr.	\$100.00
Materials Management, Recovery and Inventory Manager Hr.	\$100.00
Office Coordinator, Supervisor of Clerical Officers Hr.	\$85.00
Procurement Manager	4.45.55

\$108.00

Project Controls Manager (Schedule, Costs) Hr.	\$134.50
QA/QC Manager Hr.	\$150.50
Administrative and Clerical Officer Hr.	\$93.50
Accountant Hr.	\$134.50
Contract and Administration Officer Hr.	\$147.95
Document Control Officer Hr.	\$100.00
Engineer Hr.	\$200.00
Engineering Assistant Hr.	\$150.00
Environmental Compliance Officer Hr.	\$200.00
Human Resources Specialist Hr.	\$110.00
Information Technology Officer Hr.	\$110.00
Materials Management, Recovery and Inventory Officer Hr.	\$110.00
Procurement Officer, Purchaser Hr.	\$93.50
Project Controls Officer (Schedule, Costs) Hr.	\$118.80
Superintendent Hr.	\$215.00

Foreman Hr.	\$196.00
Damage Assessor Hr.	\$120.00
Distribution Lineman - Apprentice Hr.	\$125.70
Distribution Lineman - Journeyman Hr.	\$186.00
Driver (Heavy, Trucks) Hr.	\$126.00
Heavy Equipment Operator Hr.	\$103.50
Flag person Hr.	\$45.00
Ground man Hr.	\$80.50
Health and Safety Officer Hr.	\$151.00
Other Skilled Labor Hr.	\$125.00
Mechanic – Heavy Equipment Hr.	\$185.00
Mechanic – Light Duty Hr.	\$111.50
QA/QC Officer Hr.	\$91.50
Security Guard (unarmed) Hr.	\$56.00
Security Supervisor Hr.	\$112.00

Page 174 of 182

**Unskilled Labor** 

Hr.

\$50.00

The above labor rates cover and include all charges to be made for direct labor costs, applicable insurance, payroll taxes, subsistence, overhead and profit. Labor rates shall include all required small tools (i.e. a tool under five hundred U.S. Dollars (U.S. \$500) in value). Rates shall only be charged for each billable man-hour actually worked in the proper performance of the Work by a Contractor Personnel listed in the above table. Overtime hours shall be incurred only with the specific, written authorization of PREPA. Overtime hours shall be charged at a one and half (1.5) the regular rate under the following circumstances: a) man-hours expended in excess of forty (40) hours per week; and (b) man-hours expended on Saturday, Sunday or a national holiday recognized by the U.S. Government. Notwithstanding the foregoing, the Contractor may work in excess of its standard workweek without PREPA's authorization, *provided that* there is no premium or overtime charge to PREPA for such Work performed.

The emergency restoration services will require twelve (12) to sixteen (16) hours of work per day, between seven (7) to six (6) days a week.

#### 2. CONSTRUCTION EQUIPMENT RATES

The following construction equipment rates are quoted less operator:

Equipment Rates
Transport Equipment
Unit Price

SUV, 4wd, 4 door Hr.	\$19.60
1-ton pickup truck, 4wd 4 door Hr.	\$25.00
½-ton pickup truck, 4wd 4 door Hr.	\$28.90
%-ton pickup truck, 4wd 4 door Hr.	\$31.50
Van for personnel movement, 15 passengers Hr.	\$25.00
1-ton flatbed truck, 4wd Hr.	\$23.00
Dump Truck – Up to 10 Cy Hr.	\$110.00
Dump Truck – 10 to 20 Cy Hr.	\$176.00
Tractor for Hauling (Semi trailer truck), including low-boy trailer, pole trailer, materials trailer, flatbed, other applicable trailers for tasks Hr.	\$40.00
Mechanic truck Hr.	\$85.00
Heavy Equipment	
Backhoe Loader (Digger), with trailer, buckets and hammer Hr.	\$37.50
Bulldozers – Similar to Caterpillar D4 Hr.	\$71.00
Bulldozers – Similar to Caterpillar D6 Hr.	\$100.00
Mini excavator Hr.	\$45.00

Page 176 of 182

Excavators – Small Hr.	\$95.50
Excavators –Medium Hr.	\$120.00
Excavators –Large Hr.	\$125.00
Wheel loader – Similar to Caterpillar 966 Hr.	\$111.00
Water truck Hr.	\$80.00
Telescopic forklift – Up to 10k lbs. capacity Hr.	\$67.00
Telescopic forklift – Up to 20k lbs. capacity Hr.	\$72.00
Skid steer, with accessories (forks, buckets, winches, etc.) Hr.	\$87.00
Cranes ~	
30-Ton boom Crane Truck Hr.	\$184.00
60-Ton boom Crane Truck Hr.	\$312.00
30-Ton boom Crane Crawler Hr.	\$212.00
60-Ton boom Crane Crawler Hr.	\$334.00
Knuckle boom crane truck Hr.	\$212.00
50-Ton, wheeled-crane, similar to Grove RT650E Hr.	\$190.00

65 – Ton, All Terrain Crane, Similar to Grove GMK3065 Hr.	\$470.00
Distribution Power Lines Equipment	
Bucket Trucks – Distribution, 40 feet Hr.	\$72.00
Bucket Trucks Distribution, 55 feet. Hr.	\$72.00
Bucket Trucks – Distribution, 70 feet. Hr.	\$131.00
Pressure Digger Drills – Wheeled (Distribution Work) Hr.	\$175.50
Puller– up to 10k lbs. with trailer. Hr.	\$50.00
Tensioner – up to 10k lbs. with trailer. Hr.	\$40.00
Rope puller Hr.	\$120.00
Stringing blocks Hr.	\$15.00
Wire reel stand, up to 5-ton Hr.	\$6.00
Wire reel trailer Hr.	\$27.00
Other Equipment	
10 C.Y. dumpster Month	\$500.00
20 C.Y. dumpster Month	\$750.00

Air Compressor – Small, with hoses, hammers and related accessories required for the duties. Hr.	\$20.00
Air Compressor - Medium, with hoses, hammers and related accessories required for the duties Hr.	\$20.00
Air Compressor - Large, with hoses, hammers and related accessories required for the duties Hr.	\$20.00
Electric Generator – Suitable for the tasks of the field crews Hr.	\$10.50
Large Trencher Hr.	\$111.00
Medium Trencher Hr.	\$85.00
Small Trencher Hr.	\$27.00
Warehouse forklift – Up to 5k lbs. loading capacity Hr.	\$35.00
Warehouse forklift – Up to 10k lbs. loading capacity Hr.	\$35.50
Water pump – 4" dia. hose Hr.	\$11.00
Water pump – 6" dia. hose Hr.	\$36.00
Water pump – 8" día. hose Hr.	\$80.00
Light towers – (4 x 1,000 W bulbs) Hr.	\$10.00
Construction Trailer, 12' x 40' Month	\$750.00

Page 179 of 182

Semi trailer, boxed, up to 53-ft. long Month

\$800.00

The above construction equipment rates cover and include all charges (exclusive of charges for operator or driver) to be made for the use of equipment and include all maintenance, fuel, taxes, overhead and profit. When necessary to perform the changed work, the Contractor may procure construction equipment not listed in the above rates, i.e. rental construction equipment. Such rental construction equipment shall be charged to PREPA at the same cost charged to the Contractor by its Subcontractor plus a mutually agreeable percentage markup.

#### Other Rates

Lodging, meals, water, and other living allowances. Per day Day

\$295.00

Staging Area facility rent.

Month

\$6,000.00

Payment for mobilization upon notice to contractor to proceed L.S.

\$500,000.00

As stated in Section 9B of the RFP, Category II is to provide emergency restoration services as supplementation for PREPA's crews. PREPA requires immediate mobilization after notification to contractor. Category II will not require the use of heavy lift helicopters nor the use of labor or equipment for work on transmission voltage infrastructure. Category II requires the contractor to mobilize within 24 to 72 hours after a storm hits.

Page 180 of 182

Therefore, the services to be provided in Category II shall be with Island resources. The mobilization cost and the lodging, meals, water and other living allowances per day will be considered in the case that PREPA requires the contractor for a ramp up that will likely require the transport of materials, labor and equipment from the United States Mainland to supplement the contractors team. The Mobilization/Demobilization and other reimbursable items shall be paid on a cost reimbursement basis consistent with the Cost Principles in 2 C.F.R. Part 200, Subpart E.

#### 3. MATERIALS COST

When approved by PREPA to furnish the materials hereunder, the Contractor shall document charges to PREPA in accordance with the following:

Materials shall be charged at cost plus a mutually agreeable percentage markup. No other materials shall be charged to PREPA. No material handling charges will be allowed, unless specifically authorized herein. Items drawn from the Contractor's stock shall be priced at then prevailing rate less any discounts to which PREPA is entitled. The Contractor shall support all equipment costs claimed by submitting copies of paid invoices or storeroom requisitions.

The Contractor shall, to the extent of its ability, procure equipment at the most advantageous prices available, with due regard to securing prompt delivery of satisfactory material based on the specification of the Agreement and/or Task Order; take all cash and trade discounts, rebates, allowances, credits, salvage, and commissions; and when unable to take advantage of such benefits, shall

promptly notify the PREPA to that effect and the reason therefore. Credit shall be given to the PREPA for cash and trade discounts, rebates, allowances, credits, salvage, the value of resulting scrap when the amount of such scrap is appreciable, and commissions which have accrued for the benefit of the Contractor or would have so accrued except for the fault or neglect of the Contractor. If requested by PREPA, the Contractor shall, prior to final payment hereunder, execute and deliver to PREPA an assignment of all rebates, credits and allowance arising under this Paragraph b.

# COMMONWEALTH OF PUERTO RICO PUERTO RICO ELECTRIC POWER AUTHORITY

### FIRST AMENDMENT

### CONTRACT 2021-P00119

### **APPEAR**

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public
corporation and government instrumentality of the Commonwealth of Puerto Rico,
created by Act 83 of May 2, 1941, as amended (Act 83), represented in this act by its
agent, LUMA ENERGY SERVCO, LLC ("Operator or LUMA") a limited liability company
organized under the laws of the Commonwealth of Puerto Rico
AS SECOND PARTY: MasTec Renewables Puerto Rico, LLC ("Contractor"), a Limited
Liability Company formed and existing under the laws of Puerto Rico, herein represented
by its Executive Vice President, Jeffrey Schmidt, of legal age, married, and resident of
North Carolina, United States, who has authority to enter into this Master Service
Agreement ("Contract") by virtue of Corporate Resolution dated January 6, 2021
PREPA and the Contractor are herein individually referred to as a
"Party" and collectively referred to as the "Parties"
WITNESSETH
In consideration of the mutual covenants and agreements contained in this Amendment,
hereinafter stated, the Parties agree for themselves, their personal representatives, and
successors as follows:

#### STATE

WHEREAS: PREPA, by virtue of Act 83, has the authority to engage those professional. technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA. ------WHEREAS: PREPA and the Contractor executed the Professional Services Contract 2021-P00119 (Contract) on April 30, 2021, for procurement, construction, reconstruction and repair services. The Contract had a maximum amount of twenty million dollars (\$20,000,000) through June 30, 2021. ------This Contract was previously approved by PREPA's Governing Board on March 25, 2020 through Resolution 4770. -----WHEREAS: On June 10, 2021 the Financial Oversight & Management Board for Puerto Rico issued the letter "Re: MasTec Renewables Puerto Rico, LLC" via electronic mail and authorized to extend the term of the Contract for additional six months, as requested by LUMA, in order to ensure an orderly transition of its operations and essential services to our clients. -----WHEREAS: Operator was retained by PREPA and the Puerto Rico Public-Private Partnerships Authority ("Administrator"), under the Operation and Maintenance Agreement dated as of June 22, 2020, as amended from time to time in accordance with its terms (including any amendments as may be contemplated by the Supplemental Agreement (as defined in Exhibit F-1 to such agreement)) (collectively the "OMA"), pursuant to which Operator has agreed to provide certain services to PREPA and Administrator as more specifically set out therein. In accordance with the terms and

conditions of the OMA, Operator is acting as PREPA's agent under this First
Amendment
THEREFORE: The appearing Parties hereby agree to enter into this First Amendment
under the following:
TERMS AND CONDITIONS
FIRST: The Parties agree to amend Article 19.1, Contract Term, to extend its term as of
June 30, until December 31, 2021
The remaining sentences and paragraphs of Article 19.1, not affected by this amendment
shall remain unaltered and fully enforceable
SECOND: The Parties agree to amend Article 3.2 of the Contract Ceiling, to increase its
amount by ten million dollars (\$10,000,000), from twenty million dollars (\$20,000,000) to
thirty million dollars (\$30,000,000) until December 31, 2021
The remaining sentences and paragraphs of Article 3.2, not affected by this amendment
shall remain unaltered and fully enforceable
THIRD: As for the original Contract, the Contractor will comply with all applicable State
Law, Regulations or Executive Orders that regulate the contracting process and
requirements of the Commonwealth of Puerto Rico. Particularly: Act 237-2004, as
amended, which establishes uniform contracting requirements for professional and

CO	nsulting services for the agencies and governmental entities of the Commonwealth of
Pu	erto Rico
A.	The Contractor shall provide, before the execution of this First Amendment, the
	following:
1.	Filing of Puerto Rico Income Tax Returns
	In compliance with Executive Order No. OE-1991-24 of June 18, 1991, the Contractor
	hereby certifies that it has filed all the necessary and required income tax returns to
	the Government of Puerto Rico for the last five (5) years. As evidence thereof, the
	Contractor has delivered to PREPA an Income Tax Return Filing Certificate, issued
	by the Treasury Department of Puerto Rico assuring that the Contractor has filed its
	Income Tax Return for the last five (5) tax years
2.	Payment of Puerto Rico Income Taxes
	In compliance with Executive Order No. OE-1991-24 of June 18, 1991, the Contractor
	hereby certifies that it has complied and is current with the payment of all income taxes
	that are, or were due, to the Government of Puerto Rico. As evidence thereof, the
	Contractor has delivered to PREPA a certification issued by the Treasury Department
	of Puerto Rico indicating that the Contractor does not owe taxes, under any concept,
	to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan
	and is in full compliance with its terms. During the term of this Contract, the Contractor
	agrees to pay and/or to remain current with any repayment plan agreed to by the
	Contractor with the Government of Puerto Rico

3.	Compliance with Requirements of the Department of Labor and Human Resources of
	the Commonwealth of Puerto Rico
	Pursuant to Executive Order No. 1992-52, dated August 28, 1992, amending
	OE-1991-24, the Contractor certifies and warrants that it has made all payments
	required for unemployment benefits, workmen's compensation and social security for
	chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment
	plan in connection with any such unpaid items and is in full compliance with the terms
	thereof. As evidence thereof, the Contractor has delivered to PREPA:
	a. A certification issued by the Bureau of Employment Security (Negociado de
	Seguridad de Empleo) of the Puerto Rico Department of Labor and Human
	Resources certifying that the Contractor does not owe any amount regarding
	Unemployment or Disability Insurance
,	b. A certification issued by the Program for Social Security for Chauffeurs and Other
	Employees of the Puerto Rico Department of Labor and Human Resources
	certifying that the Contractor has no debt with respect to such program
4.	Real and Personal Property Taxes
	Contractor hereby certifies and guarantees that it does not have any current debt
	regarding property taxes that may be registered with the Government of
	Puerto Rico's Municipal Revenue Collection Center (MRCC). Contractor further
	certifies to be up-to-date with the payment of any and all property taxes that are or
	were due to the Government of Puerto Rico. Contractor shall provide:

a.	. A certification issued by the MRCC, assuming that the Contractor does not owe any
	tax accruing during the last five (5) years to such governmental agency with
	respect to personal property; or negative Debt certification issued by the MRCC
	with respect to personal property taxes and a sworn statement executed by the
	Contractor indicating that: (i) its revenues are derived from the rendering of
	professional services, (ii) during the last 5 years (or the time in which it has been
	providing professional services) it has had no taxable business or personal
	property on the 1st of January of each year, (iii) that for such reasons it has not
	been required to file personal property tax returns, as required under Article 6.03
	of Act 83-1991, as amended and (iv) that for such reason it does not have an
	electronic tax file in the MRCC's electronic system
b.	All Concepts Debt Certification issued by the MRCC assuring that the Contractor
	does not owe any taxes to such governmental agency with respect to real and
	personal property; or Negative certification issued by the MRCC with respect to
	real property taxes
Sa	les and Use Taxesles
the	e Contractor has delivered to PREPA:
a.	Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury
	Department of Puerto Rico assuring that the Contractor has filed his Puerto Rico
	Sales and Use Tax for the last sixty (60) contributory periods
b.	The Contractor 's Certificate of Merchant's Registration issued by the Treasury
	Department of Puerto Rico

5.

6.	Puerto Rico Child Support Administration (ASUME)
	The Contractor hereby certifies that it is not duty bound to pay child support, or if so,
	that the Contractor is up to date or has a payment plan to such effects. As evidence
	thereof, the Contractor has delivered to PREPA a certification issued by the Puerto
	Rico Child Support Administration (Administración para el Sustento de Menores
	(ASUME)) certifying that the Contractor does not have any debt, outstanding debt, or
	legal procedures to collect child support payments that may be registered with
	ASUME
7.	Organization Documents
	The Contractor shall provide:
	a. a Good Standing Certificate issued by the Department of State of Puerto Rico
	b. a Certification of Incorporation, or Certification of Organization or Certificate of
	Authorization to do business in Puerto Rico issued by the Department of State of
	Puerto Rico
8.	Dispensation
	Any and all necessary dispensations have been obtained from any government entity
	and that said dispensations shall become part of the contracting record
9.	Rules of Professional Ethics
	The Contractor acknowledges and accepts that it is knowledgeable of the rules of
	ethics of his or her profession and assumes responsibility for his or her own actions
10	Contractor agrees to comply with the provisions of Act 2-2018, as the same may be
	amended from time to time, which establishes the Anti-Corruption Code for a New

First Amendment Contract 2021-P00119 – Mastec Renewable PR, LLC Page 8

Puerto Rico. The Contractor hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.-----Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico (Act 8-2017) or any of the crimes included in Act 2-2018.- Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017. PREPA shall have the right to terminate the Contract in the event Contractor is convicted in Puerto Rico or United States Federal Court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended. known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018 or any other

felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017.-----
Consequences of Non-Compliance------

The Contractor expressly agrees that the conditions outlined throughout this Section are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be enough cause for PREPA to terminate this Contract, and the Contractor shall be paid by PREPA for all Work performed through the date of termination, unless otherwise prohibited by law. If any of the certifications listed in this Section shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor hereby certifies that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, the Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, the Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranties and certifications from each and every contractor and subcontractor, if any, previously approved by PREPA, whose service the Contractor has secured in relation with the Services to be rendered under this Contract and shall deliver evidence to PREPA of compliance with this requirement. -----

First Amendment Contract 2021-P00119 – Mastec Renewable PR, LLC Page 10

The Contractor understands and agrees that PREPA is prohibited from processing any payment under the Contract until the enumerated certifications and sworn statement are submitted to PREPA. ------If by the date of the execution of this Amendment, the Contractor, has not obtained any of the above mentioned documents and certifications (with the exception of the Puerto Rico Child Support Administration (ASUME) Certification and the sworn statement required by Act 2-2018, the Anti-Corruption Code for the New Puerto Rico, which are required at the time of the execution of this Amendments), it will have a final term of ten FOURTH: The Parties acknowledge that the Contractor has submitted the certification titled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico. effective as of November 6, 2017 and amended on October 30, 2020, signed by the Contractor's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor Certification Requirement" is included as an annex to this Amendment of Contract. -------------------------FIFTH: The Contractor represents and warrants that the information included in the Contractor Certification Requirement is complete, accurate and correct, and that any misrepresentation, inaccuracy of falseness in such Certification will render the Contract null and void and the Contractor will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Contract.-------

SIXTH: Contractor acknowledges that, pursuant to Section 11.2 of the OMA, all warranties and other rights related thereto, with respect to the T&D System, as defined in the OMA, shall be assignable to the Administrator or a person designated by Administrator, solely at Administrator's election and without cost or penalty, at the end of the Term (as defined in the OMA) or upon early termination of the OMA.-----SEVENTH: All other terms and conditions, specifications, stipulations, insurances, and requirements established in the Contract, as amended, shall remain unaltered and fully enforceable. -----In WITNESS WHEREOF, the Parties hereto have agreed to execute this First Amendment in San Juan, Puerto Rico, on this _____ day of _____, 2021. ------

Darren Miller, Chief Financial Officer Puerto Rico Electric Power Authority By its Agent, LUMA ENERGY SERVCO

Tax ID: -3747

Paul Goguen, Sr VP Capital Programs Puerto Rico Electric Power Authority By its Agent, LUMA ENERGY SERVCO Tax ID: _3747

Executive Vice President MasTec Renewable PR, LLC Tax ID:

-4928

# COMMONWEALTH OF PUERTO RICO PUERTO RICO ELECTRIC POWER AUTHORITY

### FIRST AMENDMENT

### **CONTRACT 2021-P00057**

### **APPEAR**

AS FIRST PARTY: The Puerto Rico Electric Power Authority (PREPA), a public
corporation and government instrumentality of the Commonwealth of Puerto Rico,
created by Act 83 of May 2, 1941, as amended (Act 83), represented in this act by its
agent, LUMA ENERGY SERVCO, LLC ("Operator or LUMA") a limited liability company
organized under the laws of the Commonwealth of Puerto Rico
AS SECOND PARTY: MasTec Renewables Puerto Rico, LLC (Contractor) a limited
liability company, registered to do business in Puerto Rico, represented in this act by its
Executive Vice President, Mr. Jeffrey Schmidt, of legal age, married and resident of North
Carolina, United States, duly authorized to appear in representation of the Contractor by
Resolution dated January 6, 2021
<del></del>
PREPA and the Contractor are herein individually referred to as a "Party" and collectively
referred to as the "Parties"
WITNESSETH
In consideration of the mutual covenants and agreements contained in this Amendment,
hereinafter stated, the Parties agree for themselves, their personal representatives, and
successors as follows:

#### STATE

WHEREAS: PREPA, by virtue of Act 83, has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs, and operations of PREPA. ------WHEREAS: PREPA and the Contractor executed Contract 2021-P00057 on August 28, 2020 and effective until August 27, 2021 (the "Contract"), with a not to exceed amount of three million dollars (\$3,000,000), (the "Contract Amount"). Through this Contract, the Contractor provides PREPA with services to provide an expedite method of engagement and initiation of emergency services to respond to a natural disaster or other emergency in Puerto Rico. ------This Contract was previously authorized by PREPA's Governing Board, through Resolution 4770 of March 25, 2020. ------WHEREAS: On May 3, 2021 PREPA's Governing Board, through Resolution 4883 authorized to extend the term of the Contract for additional six months, as requested by LUMA, in order to ensure an orderly transition of its operations and essential services to our clients. ------WHEREAS: Operator was retained by PREPA and the Puerto Rico Public-Private Partnerships Authority ("Administrator"), under the Operation and Maintenance Agreement dated as of June 22, 2020, as amended from time to time in accordance with its terms (including any amendments as may be contemplated by the Supplemental Agreement (as defined in Exhibit F-1 to such agreement)) (collectively the "OMA"), pursuant to which Operator has agreed to provide certain services to PREPA and

Administrator as more specifically set out therein. In accordance with the terms and
conditions of the OMA, Operator is acting as PREPA's agent under this First
Amendment
THEREFORE: The appearing Parties hereby agree to enter into this First Amendment under the following:
TERMS AND CONDITIONS
FIRST: The Parties agree to amend Article 19.1, Contract Term, of the Contract, to
extend its term as of June 30, 2021, until December 31, 2021
The remaining sentences and paragraphs of Article 19.1, not affected by this amendment
shall remain unaltered and fully enforceable
SECOND: The Parties agree to amend Article 3.2 of the Contract, Contract Ceiling, to
increase its amount by one million five hundred thousand dollars (\$1,500,000), from
three million dollars (\$3,000,000) to four million five hundred thousand dollars
(\$4,500,000) until December 31, 2021
The remaining sentences and paragraphs of Article 3.2, not affected by this amendment
shall remain unaltered and fully enforceable
THIRD: As for the original Contract, the Contractor will comply with all applicable State
Law, Regulations or Executive Orders that regulate the contracting process and
requirements of the Commonwealth of Puerto Rico. Particularly: Act 237-2004, as
amended, which establishes uniform contracting requirements for professional and

CO	nsulting services for the agencies and governmental entities of the Commonwealth of
Pu	erto Rico
A.	The Contractor shall provide, before the execution of this First Amendment, the
	following:
1.	Filing of Puerto Rico Income Tax Returns
	In compliance with Executive Order No. OE-1991-24 of June 18, 1991, the Contractor
	hereby certifies that it has filed all the necessary and required income tax returns to
	the Government of Puerto Rico for the last five (5) years. As evidence thereof, the
	Contractor has delivered to PREPA an Income Tax Return Filing Certificate, issued
	by the Treasury Department of Puerto Rico assuring that the Contractor has filed its
	Income Tax Return for the last five (5) tax years
2.	Payment of Puerto Rico Income Taxes
	In compliance with Executive Order No. OE-1991-24 of June 18, 1991, the Contractor
	hereby certifies that it has complied and is current with the payment of all income taxes
	that are, or were due, to the Government of Puerto Rico. As evidence thereof, the
	Contractor has delivered to PREPA a certification issued by the Treasury Department
	of Puerto Rico indicating that the Contractor does not owe taxes, under any concept,
	to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan
	and is in full compliance with its terms. During the term of this Contract, the Contractor
	agrees to pay and/or to remain current with any repayment plan agreed to by the
	Contractor with the Government of Puerto Rico

3.	Co	empliance with Requirements of the Department of Labor and Human Resources of
	the	e Commonwealth of Puerto Rico
	Pu	rsuant to Executive Order No. 1992-52, dated August 28, 1992, amending
	OE	E-1991-24, the Contractor certifies and warrants that it has made all payments
	red	quired for unemployment benefits, workmen's compensation and social security for
	ch	auffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment
	pla	an in connection with any such unpaid items and is in full compliance with the terms
	the	ereof. As evidence thereof, the Contractor has delivered to PREPA:
	a.	A certification issued by the Bureau of Employment Security (Negociado de
		Seguridad de Empleo) of the Puerto Rico Department of Labor and Human
		Resources certifying that the Contractor does not owe any amount regarding
		Unemployment or Disability Insurance
	b.	A certification issued by the Program for Social Security for Chauffeurs and Other
		Employees of the Puerto Rico Department of Labor and Human Resources
		certifying that the Contractor has no debt with respect to such program
4.	Re	eal and Personal Property Taxes
	the	e Contractor hereby certifies and guarantees that it does not have any current debt
	reç	garding property taxes that may be registered with the Government of
	Pu	erto Rico's Municipal Revenue Collection Center (MRCC). the Contractor further
	се	rtifies to be up-to-date with the payment of any and all property taxes that are or
	we	ere due to the Government of Puerto Rico. The Contractor shall provide:

-

a.	A certification issued by the MRCC, assuring that the Contractor does not owe any
	tax accruing during the last five (5) years to such governmental agency with
	respect to personal property; or negative Debt certification issued by the MRCC
	with respect to personal property taxes and a sworn statement executed by the
	Contractor indicating that: (i) its revenues are derived from the rendering of
	professional services, (ii) during the last 5 years (or the time in which it has been
	providing professional services) it has had no taxable business or personal
	property on the 1st of January of each year, (iii) that for such reasons it has not
	been required to file personal property tax returns, as required under Article 6.03
	of Act 83-1991, as amended and (iv) that for such reason it does not have an
	electronic tax file in the MRCC's electronic system
b.	All Concepts Debt Certification issued by the MRCC assuring that the Contractor
	does not owe any taxes to such governmental agency with respect to real and
	personal property; or Negative certification issued by the MRCC with respect to
	real property taxes
Sa	les and Use Taxesles
the	Contractor has delivered to PREPA:
a.	Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury
	Department of Puerto Rico assuring that the Contractor has filed his Puerto Rico
	Sales and Use Tax for the last sixty (60) contributory periods
b.	The Contractor 's Certificate of Merchant's Registration issued by the Treasury
	Department of Puerto Rico

5.

6.	Puerto Rico Child Support Administration (ASUME)
	The Contractor hereby certifies that it is not duty bound to pay child support, or if so
	that the Contractor is up to date or has a payment plan to such effects. As evidence
	thereof, the Contractor has delivered to PREPA a certification issued by the Puert
	Rico Child Support Administration (Administración para el Sustento de Menore
	(ASUME)) certifying that the Contractor does not have any debt, outstanding debt, of
	legal procedures to collect child support payments that may be registered with
	ASUME
7.	Organization Documents
	The Contractor shall provide:
	a. a Good Standing Certificate issued by the Department of State of Puerto Rico
	b. a Certification of Incorporation, or Certification of Organization or Certificate
	Authorization to do business in Puerto Rico issued by the Department of State
	Puerto Rico
8.	Dispensation
	Any and all necessary dispensations have been obtained from any government entit
	and that said dispensations shall become part of the contracting record
9.	Rules of Professional Ethics
	The Contractor acknowledges and accepts that it is knowledgeable of the rules of
	ethics of his or her profession and assumes responsibility for his or her own actions.
10	Contractor agrees to comply with the provisions of Act 2-2018, as the same may b
	amended from time to time, which establishes the Anti-Corruption Code for a New

Puerto Rico. The Contractor hereby certifies that it does not represent particular interests in cases or matters that imply a conflict of interest, or of public policy, between the executive agency and the particular interests it represents.------Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico (Act 8-2017) or any of the crimes included in Act 2-2018.- Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017. PREPA shall have the right to terminate the Contract in the event Contractor is convicted in Puerto Rico or United States Federal Court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018 or any other

felony that involves misuse of public funds or property, including but not limited to the

crimes mentioned in Article 6.8 of Act 8-2017
Consequences of Non-Compliance
The Contractor expressly agrees that the conditions outlined throughout this Section are
essential requirements of this Contract. Consequently, should any one of these
representations, warranties or certifications be incorrect, inaccurate or misleading, in
whole or in part, there shall be enough cause for PREPA to terminate this Contract, and
the Contractor shall be paid by PREPA for all Work performed through the date of
termination, unless otherwise prohibited by law. If any of the certifications listed in this
Section shows a debt, and the Contractor has requested a review or adjustment of this
debt, the Contractor hereby certifies that it has made such request at the time of the
Contract execution. If the requested review or adjustment is denied and such
determination is final, the Contractor will provide, immediately, to PREPA a proof of
payment of this debt; otherwise, the Contractor accepts that the owed amount be offset
by PREPA and retained at the origin, deducted from the corresponding payments. The
Contractor accepts and acknowledges its responsibility for requiring and obtaining a
similar warranties and certifications from each and every contractor and subcontractor,
if any, previously approved by PREPA, whose service the Contractor has secured in
relation with the Services to be rendered under this Contract and shall deliver evidence
to PREPA of compliance with this requirement
The Contractor understands and agrees that PREPA is prohibited from processing any
payment under the Contract until the enumerated certifications and sworn statement are
submitted to PREPA

If by the date of the execution of this Amendment, the Contractor, has not obtained any of the above mentioned documents and certifications (with the exception of the Puerto Rico Child Support Administration (ASUME) Certification and the sworn statement required by Act 2-2018, the Anti-Corruption Code for the New Puerto Rico, which are required at the time of the execution of this Amendments), it will have a final term of ten (10) work days to provide them. ------FOURTH: The Parties acknowledge that the Contractor has submitted the certification titled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico, effective as of November 6, 2017 and amended on October 30, 2020, signed by the Contractor 's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor Certification Requirement" is included as an annex to this Amendment of Contract. ------FIFTH: The Contractor represents and warrants that the information included in the Contractor Certification Requirement is complete, accurate and correct, and that any misrepresentation, inaccuracy of falseness in such Certification will render the Contract null and void and the Contractor will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Contract.-----SIXTH: Contractor acknowledges that, pursuant to Section 11.2 of the OMA, all warranties and other rights related thereto, with respect to the T&D System, as defined in the OMA, shall be assignable to the Administrator or a person designated by

Amendment in San Juan, Puerto Rico, on this _____ day of _____, 2021. ------

Jeffrey Schmidt

Executive Vice President
MasTec Renewable Puerto Rico, LLC
Tax ID: 4928

Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-013

**Subject:** LP Discount Rider and LRS Customers

## Request:

Are LRS customers contacted only by automated calls or are personal calls made to those customers?

## **Response:**

Please refer to the response outlined in TC-RFI-LUMA-MI-19-0006-210903-PREB-011.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-014

**Subject:** LP Discount Rider and LRS Customers

## Request:

Is contact with the LRS customers solely through the IVR or is personal contact provided for as well?

## **Response:**

Please refer to the response outlined in TC-RFI-LUMA-MI-19-0006-210903-PREB-011.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-015

**Subject:** Applicable Law in Motion

### Request:

Page 6 of the Motion Submitting LUMA's Emergency Plan, fn. 15 cites those drills required by Applicable Law. Specifically, what applicable law and what are the requirements?

### Response:

The mentioned footnote 15 of LUMA's Motion Submitting LUMA's Emergency Response Plan ("ERP Motion") refers to Section VII(B) of Annex I of the OMA, which Section lists among these requirements "conducting periodic drills, including as required by Applicable Law [...]". The latter quoted text specifically appears in paragraph (9) of Section VII(B). Therefore, the qualification of "Applicable Law" arises from the OMA. LUMA has identified as an example, Section 6(m) of Act 83 of May 2, 1941 ("Act 83"), which requires PREPA to include in the required annual report on emergency preparedness to the Governor, the Energy Bureau and both Houses of the Legislative Assembly, in pertinent part and among others, "[t]rainings offered to the essential personnel of [PREPA] to qualify it on the steps to be taken in case of emergencies arising from atmospheric disturbances, fire in the facilities or establishments of [PREPA], or earthquakes, as well as a certification attesting that all the personnel conducting supervisory functions in the operating areas has been duly oriented on the norms of the operating emergency plan in effect" (Act 83, Section 6(m)(vi); 22 L.P.R.A. §6(m)(vi)), to the extent these can be interpreted as requiring drills.

Paragraph 9 further describes specific drills that are required pursuant to the OMA which are mentioned in summary in footnote 15 of the ERP Motion.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-016

**Subject:** Facility Evacuation

#### **Clarification:**

PREPA stated during the ERP technical conference that LUMA's ERP takes precedence in the Santurce and Palo Seco complexes during an emergency.

#### **Comments:**

LUMA seeks to clarify that this statement is accurate strictly in reference to facility actions in the event of an emergency, such as evacuation, but not to LUMA's ERP. LUMA's ERP (or any utility ERP) is not specific to any facility. There are Emergency Action Plans for LUMA-managed facilities, including Santurce, the Palo Seco warehouse and other grounds (not including the Palo Seco Generation Plant). There are PREPA personnel that work in Santurce and Palo Seco. The PREPA employees, and anyone else, at the facilities are required to follow any instructions during an emergency issued by the responsible LUMA manager.



Response: TC-RFI-LUMA-MI-19-0006-210903-PREB-017

**Subject:** APPA Mutual Aid Agreement Activation

#### **Clarification:**

PREPA provided statements during the ERP technical conference regarding how mutual aid is activated with APPA in an emergency.

#### **Comments:**

To provide some additional clarity around statements made by PREPA during the ERP technical conference on September 2, 2021, LUMA has outlined the steps below that LUMA and PREPA will follow when LUMA requires mutual aid support under the APPA mutual aid agreement:

- 1) LUMA assesses the need of external resources.
- LUMA notifies PREPA of their request for mutual aid.
- 3) PREPA reaches out to APPA with their request for mutual aid.
- 4) APPA broadcasts the request to the APPA Mutual Aid Network Coordinators for volunteers.
- 5) After response from membership, APPA will set up a pre-deployment call with the responding member utilities, LUMA, PREPA, and APPA.
- 6) Ongoing calls with responding member utilities, LUMA, PREPA, and APPA will occur until the event is complete or the calls are no longer necessary.

This process will be evaluated along with other aspects of incidents and may be modified based on actual experience.

