

**GOVERNMENT OF PUERTO RICO  
PUBLIC SERVICE REGULATORY BOARD  
PUERTO RICO ENERGY BUREAU**

<b>NEPR</b>  <b>Received:</b>  <b>May 20, 2022</b>  <b>5:48 PM</b>
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**IN RE:** REVIEW OF THE PUERTO RICO ELECTRIC POWER AUTHORITY’S 10-YEAR INFRASTRUCTURE PLAN – DECEMBER 2020

**CASE NO.:** NEPR-MI-2021-0002

**SUBJECT:** Motion to Inform Approval of Costa Sur Power Plant Repairs Projects

**MOTION TO INFORM APPROVAL OF COSTA SUR  
POWER PLANT REPAIRS PROJECTS**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

**COMES NOW** the Puerto Rico Electric Power Authority (“PREPA”), through its counsel of record, and respectfully submits and prays as follows:

**I. APPROVAL OF COSTA SUR PERMANENT REPAIR PROJECTS**

1. On November 8, 2021, PREPA submitted a document titled *Motion to Submit Third Group of Generation Projects Scope of Work* (“November 8 Motion”). With the November 8 Motion, PREPA submitted three (3) statement of works (SOW) to be presented for the approval of the Federal Emergency Management Administration (FEMA). Among these SOW was the Costa Sur Permanent Repairs Projects (“Costa Sur Power Plant Repairs”). On December 1, 2021, the Energy Bureau entered a *Resolution and Order* (“December 1 Order”) approving the Costa Sur Power Plant Repairs.

2. The December 1 Order provides that PREPA must submit to the Energy Bureau copy of the approval by the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency and/or FEMA of the Costa Sur Project which shall contain the costs obligated, within ten (10) days of receipt of such approval; provide the Energy Bureau the actual contracted costs to construct the Costa Sur Power Plant Repairs, within ten (10) days from the execution of such contract and inform the Energy Bureau once the Costa Sur Power Plant Repairs projects are completed. *See* December



1 Order at p. 3, Sec. IV.

3. In compliance with the December 1 Order, PREPA herein informs that FEMA approved the Costa Sur Power Plant Repairs projects, and it has been assigned PW nos. 171512, 171513, and 171517 (together, the PWs) for federal financing and reimbursement. *See* Attachment A (“PW 171512”), Attachment B (“PW 171513”) and Attachment C (“PW 171517”). The PWs provide for the financing of Costa Sur Rehabilitation Projects. It is further informed that PREPA has entered into eight (8) agreements for works related to the Costa Sur Power Plant Repairs projects, which are herein presented to the Energy Bureau with the PW under which the work is being performed.

## II. REQUEST FOR CONFIDENTIAL DESIGNATION AND TREATMENT

4. The PWs presented herein contain global positioning system (“GPS”) coordinates of PREPA’s power plants, which is critical energy infrastructure information (“CEII”) that cannot be disclosed to the public. To protect such confidentiality, PREPA has redacted the GPS information from the PWs herein submitted (Attachments A, B and C) and requests the Energy Bureau to determine that the GPS information is CEII and thus, confidential, and to maintain the public files with the redaction already provided and the unredacted version under seal.

5. The following is a detailed list of the information that PREPA asserts is confidential and must be kept under seal:

<b>PW</b>	<b>CONFIDENTIAL INFORMATION</b>	<b>LEGAL BASIS</b>
PW 171512 Exhibit A		
	GPS Location Page 1	CEII
	GPS Location Page 2	CEII

<b>PW</b>	<b>CONFIDENTIAL INFORMATION</b>	<b>LEGAL BASIS</b>
	GPS Location Page 3	CEII
	GPS Location Page 4	CEII
	GPS Location Page 14	CEII
	GPS Location Page 15	CEII
	GPS Location Page 16	CEII
PW 171513 Exhibit B		
	GPS Location Page 1	CEII
	GPS Location Page 4	CEII
	GPS Location Page 5	CEII
	GPS Location Page 6	CEII
	GPS Location Page 7	CEII
	GPS Location Page 8	CEII
	GPS Location Page 9	CEII
	GPS Location Page 21	CEII
	GPS Location Page 22	CEII
	GPS Location Page 23	CEII
	GPS Location Page 24	CEII
	GPS Location Page 25	CEII
	GPS Location Page 26	CEII

PW	CONFIDENTIAL INFORMATION	LEGAL BASIS
	GPS Location Page 27	CEII
	GPS Location Page 28	CEII
PW 171517 Exhibit C		
	GPS Location Page 1	CEII
	GPS Location Page 8	CEII

6. Article 6.15 of the *Puerto Rico Energy Transformation and RELIEF Act*, Act no. 57 of 2014, as amended (“Act 57”)<sup>1</sup>, provides that “any person who is required to submit information to the Energy [Bureau] believes that the information to be submitted has any confidentiality privilege, such person may request the [Bureau] to treat such information as such[.]” *Id.* at Sec. 6.15. “If the Energy [Bureau], after the appropriate evaluation, believes such information should be protected, it shall grant such protection in a manner that least affects the public interest, transparency, and the rights of the parties involved in the administrative procedure in which the allegedly confidential document is submitted.” *Id.* at Sec. 6.15(a). If the Energy Bureau determines that the information is confidential, “the information shall be duly safeguarded and delivered exclusively to the personnel of the Energy [Bureau] who needs to know such information under nondisclosure agreements.” *Id.* at Sec. 6.15(b). “The Energy [Bureau] shall swiftly act on any privilege and confidentiality claim made by a person subject to its jurisdiction by means of a resolution to such purposes before any allegedly confidential information is disclosed.” *Id.* at Sec. 6.15(c).

7. Pursuant to its vested powers, the Energy Bureau approved the *Regulation on Adjudicative*,

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<sup>1</sup> *Puerto Rico Energy Transformation and RELIEF Act*, Act no. 57 of May 27, 2014, 22 L.P.R.A. §§ 1051-1056.

*Notices of Compliance, Rate Review, and Investigations Proceedings* (“Regulation 8543”).<sup>2</sup>

Regarding the safeguards that the Energy Bureau gives to confidential information, Regulation 8543 provides that:

[i]f in compliance with the provisions of [Regulation 8543] or any of the Energy Bureau’s orders, a person has the duty to disclose to the Energy Bureau information considered to be privileged pursuant to the Rules of Evidence, said person shall identify the allegedly privileged information, request the Energy Bureau the protection of said information, and provide supportive arguments, in writing, for a claim of information of privileged nature. The Energy Bureau shall evaluate the petition and, if it understands the material merits protection, proceed according to what is set forth in Article 6.15 of Act No. 57-2014, as amended.

Regulation 8543 at Sec. 1.15.

8. Federal and Puerto Rico law protect the confidentiality of CEII, the public disclosure of which may pose a security threat in that the information could be useful to a person or group in planning an attack on critical infrastructure. *See, e.g.*, 18 C.F.R. § 388.113, as amended by Federal Energy Regulatory Commission (“FERC”) Order No. 683, *Critical Energy Infrastructure Information* (issued September 21, 2006); *USA Patriot Act of 2001*, § 1016, creating the *Critical Infrastructures Protection Act of 2001*, including 42 U.S.C. § 5195c(e) (defining Critical Infrastructure). FERC regulations subject such information to limitations on use and disclosure to “ensure that information deemed CEII stays out of the possession of terrorists.” 18 C.F.R. § 388.113(d)(4). *Off. of People's Counsel v. Pub. Serv. Comm’n.*, 21 A.3d 985, 991, Util. L. Rep. P 27157, 2011 WL 2473405 (D.C. App. 2011).

9. Under the Critical Infrastructures Protection Act of 2001, the term “critical infrastructure” means “systems and assets, whether physical or virtual, so vital to the United States that the incapacity or destruction of such systems and assets would have a debilitating impact on security,

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<sup>2</sup> Energy Bureau, *Regulation on Adjudicative, Notices of Compliance, Rate Review and Investigations Proceedings*, No. 8543 (December 16, 2015).

national economic security, national public health or safety, or any combination of those matters.” 42 U.S.C. § 5195c(e). In 2006, FERC Order no. 683 amended the regulations for gaining access to CEII and simplified procedures for obtaining access to CEII without increasing vulnerability of the energy infrastructure and ensuring that access to CEII does not facilitate acts of terrorism.

10. A utility is not required to obtain FERC or other federal government approval to designate information as CEII. For example, information required by FERC’s Annual Transmission Planning and Evaluation Report, Form No. 715 (“FERC No. 715”), is *de facto* considered CEII and is automatically afforded the heightened protections. FERC No. 715 requires that any transmitting utility that operates integrated (non-radial) transmission facilities at or above 100 kV must annually submit information including but not limited to: Power Flow Base Cases, Transmitting Utility Maps and Diagrams, Transmission Planning Reliability Criteria, Transmission Planning Assessment Practices, and Evaluation of Transmission System Performance. Any utility that submits the required transmission information pursuant to FERC No. 715 does so with the knowledge that, as stated in the Form’s Instructions, FERC “considers the information collected by this report to be CEII and will treat it as such.” *See also* 18 C.F.R. § 141.300(d) relating to the Form and CEII.

11. Mainland regulators typically do not require a utility that designates material as CEII to follow any process before the federal government to make or support such a designation, and, further, that the regulator, in its informed discretion, can establish limits on how information that it considers CEII can be accessed.

12. Furthermore, and regarding the foregoing argument, FERC has ruled on several occasions that GPS coordinates of any project features “qualify as CEII because it provides more than just location.” *See e.g.*, Final Rule, Docket Nos. RM02-4-000, PL02-1-000; Order No. 630, Note 31,

entered on February 21, 2003 (ruling that FERC considered the global positioning system coordinates of any project features (precise surveyed or GPS coordinates at or above two decimal points of accuracy of equipment and structures) gas information to qualify as CEII because it provides more than just location).<sup>3</sup>

13. The aforementioned request for relief has been granted in other matters and dockets, and for requests made under the captioned case, in which PREPA has had to produce information that included CEII, more specifically GPS. For example, PREPA submitted January 13 Motion, which included several SOWs which, in turn, included GPS information that PREPA redacted from the public filing and asserted that should remain under seal and declared confidential because, pursuant to federal and local law, it qualified as CEII. After evaluating PREPA's arguments, on January 21, 2022, the Energy Bureau granted confidential designation and treatment to the GPS information that had been redacted from the public versions of the filing. January 21 Order at pp. 3-5, Sec. III.

14. It is respectfully submitted that the redacted GPS information qualifies as CEII and thus, should remain redacted. Furthermore, it is asserted that the redactions made are the manner that least affect the public interest, transparency, and the rights of the parties involved in this administrative procedure. *See*, Act 57-2014 at Sec. 6.15(a). Accordingly, and pursuant to the above, it is respectfully requested that the Honorable Energy Bureau find that the information identified by PREPA as CEII is confidential and that the Secretary of the Energy Bureau be directed to keep the confidential CEII under seal.

### **III. CONCLUSION**

**WHEREFORE**, PREPA respectfully requests the Honorable Energy Bureau to note the

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<sup>3</sup> Federal Register: March 3, 2003 (Volume 68, Number 41); Rules and Regulations, pp. 9857-9873.

approval of the Costa Sur Power Plant Repairs and PWs; to determine that the GPS information redacted from PWs project reports (Attachments A, B and C) is CEII and thus, confidential information; and to enter an order directing the Secretary of the Energy Bureau to maintain the unredacted version of Attachments A, B and C under seal.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 20<sup>th</sup> day of May 2022.

*/s Katuska Bolaños-Lugo*  
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**CERTIFICATE OF SERVICE**

It is hereby certified that, on this same date, I have filed the above motion with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and a courtesy copy of the filing was sent to LUMA through its legal representatives at [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com) and [laura.rozas@us.dlapiper.com](mailto:laura.rozas@us.dlapiper.com).

In San Juan, Puerto Rico, this 20<sup>th</sup> day of May 2022.



**Attachment A**

*(Redacted version submitted under seal)*

## Department of Homeland Security Federal Emergency Management Agency

### General Info

<b>Project #</b>	171512	<b>PW #</b>	682	<b>Project Type</b>	Specialized
<b>Project Category</b>	F - Utilities	<b>Applicant</b>	PR Electric Power Authority (000-UA2QU-00)		
<b>Project Title</b>	Costa Sur Tanks	<b>Event</b>	4473DR-PR (4473DR)		
<b>Project Size</b>	Large	<b>Declaration Date</b>	1/16/2020		
<b>Activity Completion Date</b>	1/16/2024	<b>Incident Start Date</b>	12/28/2019		
<b>Process Step</b>	Obligated	<b>Incident End Date</b>	7/3/2020		

### Damage Description and Dimensions

The Disaster # 4473DR, which occurred between 12/28/2019 and 07/03/2020, caused:

#### Damage #429735; Raw Water Tank #1 (Wells Water)

##### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Raw Water Tank #1 (Wells Water)
- **Facility Description:** The facility is a 1,243,000 gallon raw water (ground) storage tank that has an approximate diameter (measured in google earth) of 70 feet and is estimated to be approximately 48 feet high. The tank appears to be constructed of welded steel panels anchored to a concrete pad that is about 3 feet thick visibly above the surrounding ground. One of the steel panels at ground level was measured to be 20 feet long and 8 feet high (steel panels are estimated to be ½ inch thick) and the tank was made up of 8 levels/rings of panels stacked up to the top of the tank. The steel tank structure is anchored to the concrete pad with anchor bolts that are imbedded in the concrete and fastened to the tank through a bracket that is welded to the tank. The tank has a steel stairway with railing that is fastened to the side of the tank and spirals up the side of the tank to its top. The tank and all the tank's steel components appear to be coated with a white paint.
- **Approx. Year Built:** 1970
- **Location Description:** Av. PR-127 Km 15.7 Bo. Tallaboa Guayanilla, Puerto Rico 00656
- **GPS Latitude/Longitude:** [REDACTED]

##### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

##### Facility Damage:

###### Site 1 - The perimeter of the tank bottom:

- Ground Tank Anchors, 8 each of estimated 3/4 Inch diameter anchor bolts embedded into the reinforced concrete tank base and unknown length, extending above the concrete approximately 10 Inches, and fastened to the tank through a metal bracket welded to the side of the tank, were bent and/or broken and/or the fastening nut is missing. This damage

was as a result of the seismic events., 0% work completed.

**Site 2 - South-West side of tank top portion of tank:**

- Welded Steel Tank Wall, 11 each of Welded steel tank wall/shell sections, 20 FT long x 8 FT high x 0.5 IN thick, where the side of the tank has buckled/bent and deformed affecting steel panels near the top of the tank. The thickness of the tanks steel panels was estimated to be 1/2 inch in thickness. This damage was as a result of the seismic events. , 0% work completed.

**Site 3 - Along Stairs on North-West Side of Tank:**

- Electrical Conduit Connection or better described as Mounting Bracket, 8 each of Galvanized metal mounting bracket that supports the 3/4 Inch diameter galvanized steel electrical conduit running along the stairs to the top of the water tank, where the mounting brackets have broken away from the rigid galvanized steel electrical conduit. This damage was as a result of the seismic events., 0% work completed.

**Site 4 - Bottom and Top of Stairs on North-West Side of Tank:**

- Light fixtures, 2 each of pole mounted LED light fixtures, broke away along with the connection between the base of the LED light pole and the 3/4 Inch diameter rigid electrical conduit, pulling the conductors out of the conduit, damage was as a result of the seismic events., 0% work completed.

**Damage #431102; Demin Water Tank for Unit #5**

**General Facility Information:**

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Demin Water Tank for Unit #5
- **Facility Description:** The facility is an aboveground steel tanks used to store demineralized water. The electric power generation industry relies heavily on demineralized and deionized water during process operations. Managing the water supply is critical under both normal operating conditions, and outages. The facility is a 500,000-gallon raw water (ground) storage tank that has an approximate diameter (measured in google earth) of 46 feet and is estimated to be approximately 40 feet high. The tank appears to be constructed of welded steel panels anchored to a concrete pad that is about 3 feet thick visibly above the surrounding ground. One of the steel panels was measured to be 20 feet long and 8 feet high (steel panels are estimated to be 1/2 inch thick) and the tank was made up of 8 levels/rings of these panels stacked up to the top of the tank. The steel tank structure is anchored to the concrete pad with anchor bolts that are imbedded in the concrete and fastened to the tank through a bracket that is welded to the tank. The tank has a steel stairway with railing that is fastened to the SE side of the tank and spirals up the side of the tank to its top. The tank and all the tank's steel components appear to be coated with a white paint. A Elevated steel narrow walkways (a catwalk or open bridge) connects between the top of this tank and an adjoining tank, Demin Water Tank for Unit #6, on the west.
- **Approx. Year Built:** 1970
- **Location Description:** Costa Sur Power Plant Complex – PRE`PA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico
- **GPS Latitude/Longitude:** [REDACTED]

**General Damage Information:**

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

**Facility Damage:**

- Storage Tank Foundation, 1 each of damaged foundation concrete piles. The tank shifted causing an undetermined number of piles that support the concrete platform (±3 feet thick concrete pad) to shift and crack. The piles have 18 IN Dia., and impeded ±80 feet each. The piles are spaced at ±6 feet O.C., damage is the result of ground movement induced by earthquake seismic forces (SIR #1), 0% work completed.

- Tank seat anchors, 4 each of shifted, bent, separated chairs and/or anchoring bolts. Each steel tank seat (chair) consists of 3 steel-plates 6 IN X 6 IN X 1/2 IN TH welded together and to the tank's shell along its bottom perimeter. Each chair is anchored with a threaded bolt, 3/4 IN diameter, impeded in ±3 feet thick concrete pad, damage is the result of ground movement induced by earthquake seismic forces (SIR #2), 0% work completed.
- Storage Tank Shell, 240 SF of steel panels are bent due to pressure from the movement of the cat walk connecting tank # 5 to # 6 at the top, on the south side. A sample panel was measured to be 20 feet long X 8 feet high (and estimated to be ½ inch thick). The steel panels were welded together to build the tank's shell. , damage is the result of ground movement induced by earthquake seismic forces (SIR #3), 0% work completed.
- Pipe, Valves & Fittings, 1 each of ductile iron Tee with Flanged Fittings, size 8 IN, located at the lower N side of the tank, damage is the result of ground movement induced by earthquake seismic forces (SIR #4), 100% work completed.
- Pipe, Valves & Fittings, a ductile iron pipe with Flanged Fittings, size 8 IN, located at the lower S side of the tank and connects to tank # 6 was bent and leaking, 21 FT long, damage is the result of ground movement induced by earthquake seismic forces (SIR #5), 100% work completed.

## Damage #431105; Demin Water Tank for Unit #6

### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Demin Water Tank for Unit #6
- **Facility Description:** The facility is a 500,000 gallon water (ground) storage tank
- **Approx. Year Built:** 1970
- **Location Description:** Costa Sur Power Plant Complex - PREPA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico
- **GPS Latitude/Longitude:** [REDACTED]

### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

### Facility Damage:

#### Site 1 - Under Tank Platform:

- Foundation Piles for reinforced concrete platform for ground tank, 1 each of 18 Inch diameter reinforced concrete piles spaced at about 6 FT On Center with an estimated depth of about 80 FT, The tank's concrete platform shifted causing damage to the reinforced concrete piles. The damage is the result of the seismic event., 0% work completed.

## Damage #431112; Diesel Tank S0

### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Diesel Tank S0
- **Facility Description:** The facility is an aboveground diesel storage tank. The tank measures ±32 feet across/diameter (using google earth) and is visually estimated to be ± 40 feet high, with a computed volume of ±240,600 gallons. The tank appears to be painted, spatial sheet structure, constructed of welded steel panels. To eliminate the threat from loads exerted by snow, wind, or earthquake which can cause tank overturn or sliding, the steel facility is anchored to a concrete pad using steel tank chairs (welded to the tank shell) with anchor-bolts impeded in ±3 feet thick concrete pad. The tank has a steel stairway with railing that is fastened to the side of the tank and piping connections. To meet spill prevention requirements, the tank is enclosed in an above ground spill containment consisting of a concrete slab and an 8 FT high parameter wall.

- **Approx. Year Built:** 1970
- **Location Description:** Costa Sur Power Plant Complex – PRE`PA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico
- **GPS Latitude/Longitude:** [REDACTED]

**General Damage Information:**

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

**Facility Damage:**

- Tank seat anchors, 9 each of shifted, bent, separated chairs and/or anchoring bolts. Each steel tank seat (chair) consists of 3 steel-plates 6 IN X 6 IN X 1/2 IN TH welded together and to the tank's shell along it's bottom perimeter. Each chair is anchored with a threaded bolt, 3/4 IN diameter, impeded in ±3 feet thick concrete pad, damage is the result of ground movement induced by earthquake seismic forces, 0% work completed.

## Final Scope

### 429735 Raw Water Tank #1 (Wells Water)

**Work to be completed**

The applicant will utilize contract to repairs to Raw Water Tank #1 (Wells Water), in Costa Sur Power Plant, in the Municipality of Guayanilla, P.R. 00656 to restore the facility back to its pre-disaster function per applicant provided method of repair.

**Facility Damages:**

- Remove and replace 8 each of anchor bolts as per MOR provided by the Applicant.
- Remove and replace 11 each of welded steel tank shell as per MOR provided by the Applicant.
- Remove and replace 8 each of galvanized steel electrical conduits as per MOR provided by the Applicant.
- Remove and replace 2 each of pole mounted led light fixture as per MOR provided by the Applicant.

**Work to be completed: \$339,695.49**

**Cost Estimate Format: \$707,790.19**

**Total Project Cost (Sum of all DI's): \$5,447,916.06**

**Scope Note:**

- Applicant provided A method of repair, see document-labeled: "Structural Details Raw Water TK1&2.pdf".

**Project Notes:**

- All site estimates for work to be completed were generated using RS means. See attachment labeled *SP-171512-DR4473PR-Cost Estimate.xlsx*, *SP-171512-DR4473PR-CEF 1.xlsx* & *SP-171512-DR4473PR-CEF 2.xlsx*
- GPS coordinates have been checked for accuracy, the correct coordinates were provided and confirmed by PDMG.
- Applicant will comply with local, commonwealth, federal procurement laws, regulations, and procedures.
- The anticipated ground disturbance, temporary access roads and staging area for this project's activities were estimated to be within the right-of-way of the subject road facility.
- The project considered clearing/grubbing and earth-moving tasks that will require vegetation removal. The latter are

anticipated to be within the footprint and immediate adjacency (< 10-ft) of the repair/replacement tasks, and inside the road's right-of-way.

## 406 HMP Scope

### Hazard Mitigation Proposal (HMP) Scope of Work:

Damage #429735; Raw Water Tank #1 (Wells Water) (17.99954, -66.75203):

#### Mitigation Measures (*Supplement*)

1. On the damaged electrical conduits mounting bracket, no additional Mitigation opportunities were identified. Mitigation is accomplished by PA method of repair, [welded steel plates mounting brackets].
2. On the damaged light fixtures, no additional Mitigation opportunities were identified. Mitigation is accomplished by PA method of repair, [LED fixture, exterior, wall pack, poly lens, 110 watts, incl lamps].

#### Mitigation Measures (*Replacement*)

1. On the damaged ground tank anchors, instead of galvanized anchor bolt 1-3/4" D x 42" L, provide and install new Type 316 stainless steel anchor bolt 1-3/4" D x 48" L, that is more resistance to corrosion. This mitigation measure would reinforce the tank base anchor to protect, strengthen or stiffen the structure during movement from an earthquake or high wind event, 52 EA. Refer to Appendix J: Section VII.A and Section VIII.F of the PAPPG V3.1.

Eligible Cost of PA repair Scope of Work per DI: \$57,313.29

Net Cost of 406 HMP per DI: \$31,613.01

Cost of 406 HMP w/factors: \$79,617.85

HMP Cost/ Benefit = (Net Cost of Hazard Mitigation/ Cost for HM Eligible PA Repair SOW) x 100 Ratio of HMP C/B = (\$31,613.01/ \$57,313.29) x 100 = 55.2% (< 100% and Appendix J).

\* See Mitigation Profile Documents Tab for complete version of this HMP and supporting documents.

\* Due to GM system constraints in the Mitigation Profile Cost Tab, there may be a discrepancy in the total dollar amount of the mitigation proposal (or, the cost effectiveness statement) cited in the Cost Tab of the project(s). Whenever a difference between the Mitigation Cost Tab and the completed HMP cost occurs, the correct dollar amount of the grant proposal will default to the amount of 406 funding cited on the actual HMP document (and the Cost Summary Spreadsheet) uploaded into the Mitigation Profile Documents Tab.

\* This project Hazard Mitigation costing / soft cost / factor methodologies followed the same procedures provided in the cost estimates of the PA portion of the project.

## 431102 **Demin Water Tank for Unit #5**

### **Work completed**

The applicant will utilize contract to repairs to Demin Water Tank for Unit #5, in Costa Sur Power Plant, in the Municipality of Guayanilla, P.R. 00656 to restore the facility back to its pre-disaster function per applicant provided method of repair.

### **Facility Damages:**

- A. Repairs for 1 each of pipe, valves, and fitting.
- B. Repairs for 1 each of pipe, valves, and fitting.

**Work to be completed: \$0.00**

**Scope Note:**

1. The applicant has not provided the WC supporting documentation.

**Work to be completed**

The applicant will utilize contract to repairs to Demin Water Tank for Unit #5, in Costa Sur Power Plant, in the Municipality of Guayanilla, P.R. 00656 to restore the facility back to its pre-disaster function per applicant provided method of repair.

**Facility Damages:**

- A. Repair 1 each of foundation concrete pile as per MOR provided by the Applicant.
- B. Remove and replace 4 each of tank seat anchors as per MOR provided by the Applicant.
- C. Remove and replace 240 SF of tank steel shell as per MOR provided by the Applicant.

**Work to be completed: \$1,076,295.52**

**Cost Estimate Format: \$2,212,932.59**

**Scope Note:**

1. Applicant provided A method of repair, see document labeled: "Structural Details Demi TK5&6 (named on drawings as 1&2).pdf"

**406 HMP Scope**

Hazard Mitigation Proposal (HMP) Scope of Work:

Damage #431102; Demin Water Tank for Unit #5 (18.00161, -66.75543):

Mitigation Measures (*Supplement*)

1. On the damaged tank seat anchors, provide and install new additional Type 316 stainless steel anchor bolt 1-3/4" D x 48" L, that is more resistant to corrosion. This mitigation measure would reinforce the tank base anchor to protect, strengthen or stiffen the structure during movement from an earthquake or high wind event, 2 EA. Refer to Appendix J: Section VII.A and Section VIII.F of the PAPPG V3.1.
2. On the tank light fixtures, no additional Mitigation opportunities were identified. Mitigation is accomplished by PA method of repair, [LED fixture, exterior, wall pack, poly lens, 110 watts, incl lamps].
3. For erosion control, no additional Mitigation opportunities were identified. Mitigation is accomplished by PA method of repair, [gabion and retaining concrete wall].

Mitigation Measures (*Replacement*)

1. On the damaged tank seat anchors, instead of galvanized anchor bolt 1-3/4" D x 42" L, provide and install new Type 316 stainless steel anchor bolt 1-3/4" D x 48" L, that is more resistance to corrosion. This mitigation measure would reinforce the tank base anchor to protect, strengthen or stiffen the structure during movement from an earthquake or high wind event, 28 EA. Refer to Appendix J: Section VII.A and Section VIII.F of the PAPPG V3.1.

Eligible Cost of PA repair Scope of Work per DI: \$64,166.71

Net Cost of 406 HMP per DI: \$18,679.59

Cost of 406 HMP w/factors: \$48,746.47

HMP Cost/ Benefit = (Net Cost of Hazard Mitigation/ Cost for HM Eligible PA Repair SOW) x 100 Ratio of HMP C/B = (\$18,679.59/ \$64,166.71) x 100 = 29.1% (< 100% and Appendix J).

\* See Mitigation Profile Documents Tab for complete version of this HMP and supporting documents.

\* Due to GM system constraints in the Mitigation Profile Cost Tab, there may be a discrepancy in the total dollar amount of the mitigation proposal (or, the cost effectiveness statement) cited in the Cost Tab of the project(s). Whenever a difference between the Mitigation Cost Tab and the completed HMP cost occurs, the correct dollar amount of the grant proposal will default to the amount of 406 funding cited on the actual HMP document (and the Cost Summary Spreadsheet) uploaded into the Mitigation Profile Documents Tab.

\* This project Hazard Mitigation costing / soft cost / factor methodologies followed the same procedures provided in the cost estimates of the PA portion of the project.

## 431105 Demin Water Tank for Unit #6

### Work to be completed

The applicant will utilize contract to repairs to Demin Water Tank for Unit #6, in Costa Sur Power Plant, in the Municipality of Guayanilla, P.R. 00656 to restore the facility back to its pre-disaster function per applicant provided method of repair.

#### Facility Damages:

- A. Repair 1 each of foundation concrete pile as per MOR provided by the Applicant.

**Work to be completed: \$1,055,760.91**

**Cost Estimate Format: \$2,100,052.32**

#### Scope Note:

1. Applicant provided A method of repair, see document labeled: "Structural Details Demi TK5&6 (named on drawings as 1&2).pdf".

## 406 HMP Scope

### Hazard Mitigation Proposal (HMP) Scope of Work:

Damage #431105; Demin Water Tank for Unit #6 (18.00150, -66.75541):

#### Mitigation Measures (*Supplement*)

1. On the tank seat anchors, provide, and install new additional Type 316 stainless steel anchor bolt 1-3/4" D x 48" L, that is more resistant to corrosion. This mitigation measure would reinforce the tank base anchor to protect, strengthen or stiffen the structure during movement from an earthquake or high wind event, 2 EA. Refer to Appendix J: Section VII.A and Section VIII.F of the PAPPG V3.1.
2. On the tank light fixtures, no additional Mitigation opportunities were identified. Mitigation is accomplished by PA method of repair, [LED fixture, exterior, wall pack, poly lens, 110 watts, incl lamps].
3. For erosion control, no additional Mitigation opportunities were identified. Mitigation is accomplished by PA method of repair, [gabion wall].

#### Mitigation Measures (*Replacement*)

1. On the tank seat anchors, instead of galvanized anchor bolt 1-3/4" D x 42" L, provide and install new Type 316 stainless steel anchor bolt 1-3/4" D x 48" L, that is more resistance to corrosion. This mitigation measure would reinforce the tank base anchor to protect, strengthen or stiffen the structure during movement from an earthquake or high wind event, 2 EA. Refer to Appendix J: Section VII.A and Section VIII.F of the PAPPG V3.1.

Eligible Cost of PA repair Scope of Work per DI: \$64,166.71

Net Cost of 406 HMP per DI: \$18,679.59



Cost of 406 HMP w/factors: \$48,746.47

HMP Cost/ Benefit = (Net Cost of Hazard Mitigation/ Cost for HM Eligible PA Repair SOW) x 100 Ratio of HMP C/B = (\$18,679.59/ \$64,166.71) x 100 = 29.1% (< 100% and Appendix J).

\* See Mitigation Profile Documents Tab for complete version of this HMP and supporting documents.

\* Due to GM system constraints in the Mitigation Profile Cost Tab, there may be a discrepancy in the total dollar amount of the mitigation proposal (or, the cost effectiveness statement) cited in the Cost Tab of the project(s). Whenever a difference between the Mitigation Cost Tab and the completed HMP cost occurs, the correct dollar amount of the grant proposal will default to the amount of 406 funding cited on the actual HMP document (and the Cost Summary Spreadsheet) uploaded into the Mitigation Profile Documents Tab.

\* This project Hazard Mitigation costing / soft cost / factor methodologies followed the same procedures provided in the cost estimates of the PA portion of the project.

## **431112 Diesel Tank S0**

### **Work to be completed**

The applicant will utilize contract to repairs to Diesel Tank S0, in Costa Sur Power Plant, in the Municipality of Guayanilla, P.R. 00656 to restore the facility back to its pre-disaster function per applicant provided method of repair.

### **Facility Damages:**

- A. Remove and replace 9 each of tank seat anchors as per MOR provided by the Applicant.

**Work to be completed: \$192,443.49**

**Cost Estimate Format: \$427,140.96**

### **Scope Note:**

1. Applicant provided A method of repair, see document labeled: "Structural Details Diesel TK8 rev5.pdf"

## **406 HMP Scope**

### Hazard Mitigation Proposal (HMP) Scope of Work:

Damage #431112; Diesel Tank S0 (18.00079, -66.75250):

### Mitigation Measures (Supplement)

1. On the tank seat anchors, provide, and install new additional Type 316 stainless steel anchor bolt 1-3/4" D x 48" L, that is more resistance to corrosion. This mitigation measure would reinforce the tank base anchor to protect, strengthen or stiffen the structure during movement from an earthquake or high wind event, 2 EA. Refer to Appendix J: Section VII.A and Section VIII.F of the PAPPG V3.1.
2. On the tank light fixtures, no additional Mitigation opportunities were identified. Mitigation is accomplished by PA method of repair, [LED fixture, exterior, wall pack, poly lens, 110 watts, incl lamps].

### Mitigation Measures (Replacement)

1. On the tank seat anchors, instead of galvanized anchor bolt 1-3/4" D x 42" L, provide and install new Type 316 stainless steel anchor bolt 1-3/4" D x 48" L, that is more resistance to corrosion. This mitigation measure would reinforce the tank base anchor to protect, strengthen or stiffen the structure during movement from an earthquake or high wind event, 20 EA. Refer to Appendix J: Section VII.A and Section VIII.F of the PAPPG V3.1.

Eligible Cost of PA repair Scope of Work per DI: \$31,149.57

Net Cost of 406 HMP per DI: \$13,816.05

Cost of 406 HMP w/factors: \$35,572.00

HMP Cost/ Benefit = (Net Cost of Hazard Mitigation/ Cost for HM Eligible PA Repair SOW) x 100 Ratio of HMP C/B = (\$13,816.05/ \$31,149.57) x 100 = 44.4% (< 100% and Appendix J).

\* See Mitigation Profile Documents Tab for complete version of this HMP and supporting documents.

\* Due to GM system constraints in the Mitigation Profile Cost Tab, there may be a discrepancy in the total dollar amount of the mitigation proposal (or, the cost effectiveness statement) cited in the Cost Tab of the project(s). Whenever a difference between the Mitigation Cost Tab and the completed HMP cost occurs, the correct dollar amount of the grant proposal will default to the amount of 406 funding cited on the actual HMP document (and the Cost Summary Spreadsheet) uploaded into the Mitigation Profile Documents Tab.

\* This project Hazard Mitigation costing / soft cost / factor methodologies followed the same procedures provided in the cost estimates of the PA portion of the project.

## Cost

Code	Quantity	Unit	Total Cost	Section
9000 (CEF Cost Estimate)	1.00	Lump Sum	\$707,790.19	Uncompleted
9001 (Contract)	1.00	Lump Sum	\$0.00	Completed
9000 (CEF Cost Estimate)	1.00	Lump Sum	\$2,212,932.59	Uncompleted
9000 (CEF Cost Estimate)	1.00	Lump Sum	\$2,100,052.32	Uncompleted
9000 (CEF Cost Estimate)	1.00	Lump Sum	\$427,140.96	Uncompleted

CRC Gross Cost \$5,447,916.06

Total 406 HMP Cost \$212,682.79

Total Insurance Reductions \$0.00

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CRC Net Cost \$5,660,598.85

Federal Share (90.00%) \$5,094,538.97

Non-Federal Share (10.00%) \$566,059.88

## Award Information

### Version Information

Version #	Eligibility Status	Current Location	Bundle Number	Project Amount	Cost Share	Federal Share Obligated	Date Obligated
0	Eligible	Awarded	PA-02-PR-4473-PW-00682(1188)	\$212,682.79	90 %	\$191,414.51	3/28/2022
1	Eligible	Awarded	PA-02-PR-4473-PW-00682(1253)	\$5,447,916.06	90 %	\$4,903,124.45	5/12/2022

### Drawdown History

EMMIE Drawdown Status As of Date	Obligation Number	Expenditure Number	Expended Date	Expended Amount
No Records				

## Subgrant Conditions

- As described in Title 2 Code of Federal Regulations (C.F.R.) § 200.333, 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 (3) 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 subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. Exceptions are stated in 2 C.F.R. §200.333(a) – (f)(1) and (2). All records relative to this project are subject to examination and audit by the State, FEMA and the Comptroller General of the United States and must reflect work related to disaster-specific costs.
- In the seeking of proposals and letting of contracts for eligible work, the Applicant/Subrecipient must comply with its Local, State (provided that the procurements conform to applicable Federal law) and Federal procurement laws, regulations, and procedures as required by FEMA Policy 2 CFR Part 200, Procurement Standards, §§ 317-326.
- The Recipient must submit its certification of the subrecipient's completion of this project, the final claim for payment, and supporting documentation within 180 days from the date that the applicant completes the scope of work, or the project deadline, whichever occurs first. FEMA reimburses Large Projects (those with costs above the large project threshold) based on the actual eligible final project costs. Therefore, during the final project reconciliation (closeout), the project may be amended to reflect the reconciliation of actual eligible costs.
- When any individual item of equipment purchased with PA funding is no longer needed, or a residual inventory of unused supplies exceeding \$5,000 remains, the subrecipient must follow the disposition requirements in Title 2 Code of Federal Regulations (C.F.R.) § 200.313-314.
- The terms of the FEMA-State Agreement are incorporated by reference into this project under the Public Assistance award and the applicant must comply with all applicable laws, regulations, policy, and guidance. This includes, among others, the Robert T. Stafford Disaster Relief and Emergency Assistance Act; Title 44 of the Code of Federal Regulations; FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide; and other applicable FEMA policy and guidance.
- The DHS Standard Terms and Conditions in effect as of the declaration date of this emergency declarations or major disaster, as applicable, are incorporated by reference into this project under the Public Assistance grant, which flow down from the Recipient to subrecipients unless a particular term or condition indicates otherwise.
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements set forth at Title 2 Code of Federal Regulations (C.F.R.) Part 200 apply to this project award under the Public Assistance grant, which flow down from the Recipient to all subrecipients unless a particular section of 2 C.F.R. Part 200, the FEMA-State Agreement, or the terms and conditions of this project award indicate otherwise. See 2 C.F.R. §§ 200.101 and 110.
- The subrecipient must submit a written request through the Recipient to FEMA before it makes a change to the approved scope of work in this project. If the subrecipient commences work associated with a change before FEMA approves the change, it will jeopardize financial assistance for this project. See FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide.
- Pursuant to section 312 of the Stafford Act, 42 U.S.C. 5155, FEMA is prohibited from providing financial assistance to any entity that receives assistance from another program, insurance, or any other source for the same work. The subrecipient agrees to repay all duplicated assistance to FEMA if they receive assistance for the same work from another Federal agency, insurance, or any other source. If an subrecipient receives funding from another federal program for the same purpose, it must notify FEMA through the Recipient and return any duplicated funding.

## Insurance

### Additional Information

4/11/2022

**GENERAL INFORMATION**

Event: DR4473-PR

Project: SP 171512

Category of Work: Cat F - Utilities

Applicant: PR Electric Power Authority

Event Type: Earthquake / Earthquake Guayanilla

Cause of Loss: Earthquake

Incident Period: 12/28/2019 to 7/3/2020

Total Public Assistance Amount: \$5,660,598.85 (Repairs Amount \$5,447,916.06 + Mitigation Amount \$212,682.79)

**COMMERCIAL INSURANCE INFORMATION**

Does the Applicant have a Commercial Policy: Yes

Policies Issued by: Mapfre, Willis Towers Watson and Multinational Insurance Company

Policies Numbers: Mapfre Praico Insurance Company (1398198000640)

Willis Towers Watson (B0804Q21251F19, B0804Q21426F19, B0804Q18529F19, B080423147F19, B0804Q11038F19, B0804Q23134F19, B0804Q23124F19, B0804Q18529F19, B0804Q23133F19, B0804Q21271F19, B0804Q21426F19, B0804Q14312F19)

Multinational Insurance Company (CP-319974-1, CP-319970-1, CP-327903-0, CP-319973-1, CP-327905-0, CP-319979-1, CP-318673-2, CP-319971-1, CP-327902-0, CP-327901-0, CP-318677-2, CP-319968-1)

Policy Period: From: Mapfre 5/31/2019 To: 5/31/2020

Policy Limits: \$300,000,000.00 combined single limit property damage and business interruption each and every occurrence which in turn excess of policy deductibles each and every occurrence.

RCV or ACV: Replacement Cost Value

Deductible Amount: \$25,000,000.00 each and every occurrence property damage and 30 days each and every occurrence business interruption in respect of Named Windstorm and Earthquake.

Does the Applicant's Commercial Policy extend coverage for the damage described in this project: Yes

The amount of the deductible being funded in this project is \$5,447,916.06

Final Insurance Settlement Status: Damages for this project do not exceed the deductible

The amount of Anticipated Insurance Reduction applied for Project: \$0.00

**NUMBER OF DAMAGED LOCATIONS INCLUDED IN THIS PROJECT: (4)**

**Damaged Inventory (DI) #429735:**

**Raw Water Tank # 1 (Wells Water)**

Number of damaged locations included in this DI: (1)

Location Description: Av. PR-127 Km 15.7 Bo. Tallaboa Guayanilla, Puerto Rico 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: \$787,408.04 (Repairs Amount \$707,790.19 + Mitigation Amount \$79,617.85)

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$707,790.19. Total remaining deductible \$24,225,633.70 (Deductible Remaining \$24,933,423.89 – Repairs Amount \$707,790.19); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Raw Water Tank # 1 (Wells Water) because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #431102:

**Demin Water Tank for Unit # 5**

Number of damaged locations included in this DI: (1)

Location Description: Costa Sur Power Plant Complex – PRE'PA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico

GPS Coordinates: 18.00161, -66.75543

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: \$2,261,679.06 (Repairs Amount \$2,212,932.59 + Mitigation Amount \$48,746.47)

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$2,212,932.59. Total remaining deductible \$22,012,701.11 (Deductible Remaining \$24,225,633.70 – Repairs Amount \$2,212,932.59); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Demin Water Tank for Unit # 5 because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #431105:

**Demin Water Tank for Unit #6**

Number of damaged locations included in this DI: (1)

Location Description: Costa Sur Power Plant Complex - PREPA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico

GPS Coordinates: XXXXXXXXXX

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: \$2,148,798.79 (Repairs Amount \$2,100,052.32 + Mitigation Amount \$48,746.47)

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$2,100,052.32. Total remaining deductible \$19,912,648.79 (Deductible Remaining \$22,012,701.11 – Repairs Amount \$2,100,052.32); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Demin Water Tank for Unit # 6 because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #431112:

Diesel Tank SO



Number of damaged locations included in this DI: (1)

Location Description: Costa Sur Power Plant Complex-- PRE'PA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: \$462,712.96 (Repairs Amount \$427,140.96 + Mitigation Amount \$35,572.00)

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$427,140.96. Total remaining deductible \$19,485,507.83 (Deductible Remaining \$19,912,648.79 -- Repairs Amount \$427,140.96); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

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Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Diesel Tank SO because facility does not meet the definition of building, equipment, contents, or vehicle.

Insurance Proceeds Statement:

FEMA acknowledges that the Applicant is in negotiations with their insurance carrier at the time of the FEMA insurance review and might have received partial settlements. In accordance with 44 CFR §206.250-253, in the absence of an actual settlement, anticipated insurance recoveries will be deducted from this project based on Applicant's insurance policy limits. FEMA subsequently adjusts the eligible costs based on the actual amount of insurance proceeds the Applicant receives after a final settlement.

FEMA's Recovery Policy FP 206-086-1, Public Assistance Policy on Insurance (June 29, 2015), requires applicants to take reasonable efforts to recover insurance proceeds that it is entitled to receive from its insurers. FEMA will consider final insurance settlements that may be less than the insurance policy limits when an applicant demonstrates that it has taken reasonable efforts to recover insurance proceeds that it is entitled to on a case-by-case basis.

Standard Insurance Comments

FEMA Policy 206-086-1

**PART 2: Other Insurance-Related Provisions. (Sections 312 and 406(d) of the Stafford Act)**

**A. Duplication of Benefits.** FEMA cannot provide assistance for disaster-related losses that duplicate benefits available to an applicant from another source, including insurance.

1 Before FEMA approves assistance for a property, an applicant must provide FEMA with information about any actual or anticipated

1. Before FEMA approves assistance for a property, an applicant must provide FEMA with information about any actual or anticipated insurance settlement or recovery it is entitled to for that property.

2. FEMA will reduce assistance to an applicant by the amount of its actual or anticipated insurance proceeds.

3. Applicants must take reasonable efforts to recover insurance proceeds that they are entitled to receive from their insurer(s).

Jean-Carlo Echevarria, PA Insurance Specialist, CRC Atlantic, Guaynabo, PR

## O&M Requirements

There are no Obtain and Maintain Requirements on **Costa Sur Tanks**.

## 406 Mitigation

There is no additional mitigation information on **Costa Sur Tanks**.

## Environmental Historical Preservation

Is this project compliant with EHP laws, regulations, and executive orders?

Yes

### EHP Conditions

- Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.
- This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize funding.
- If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archaeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.
- \*. The Applicant shall handle, manage, and dispose of all types of hazardous waste in accordance with requirements of local, state, and federal laws, regulations, and ordinances. In addition, the Applicant shall ensure that all debris is separated and disposed of in a manner consistent with the PR DNER guidelines at a permitted site or landfill. \*. Unusable equipment, debris, white goods, scrap metal any other material shall be disposed in approved manner and location. In the event significant items are discovered during the implementation or development of the project the Applicant shall handle, manage and dispose petroleum products, hazardous materials and toxic waste in accordance to the requirements of the local and federal agencies. Noncompliance with these requirements may jeopardize receipt of federal funds. Source of condition: Resource Conservation and Recovery Act, aka Solid Waste Disposal Act (RCRA)

### EHP Additional Info

There is no additional environmental historical preservation on **Costa Sur Tanks**.

## Final Reviews

### Final Review

**Reviewed By** MARTINEZ SANTIAGO, ISRAEL

**Reviewed On** 04/13/2022 4:30 PM AST

#### Review Comments

FEMA Final Completed. Project ready for Recipient Final Review.

### Recipient Review

**Reviewed By** Cintron, Jesus

**Reviewed On** 04/20/2022 12:26 PM AST

#### Review Comments

Recipient Review Completed. Pending Applicant Final Review

## Project Signatures

**Signed By** Nieves, Ezequiel

**Signed On** 04/21/2022

2022-P00057

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY

CONTRACT NUM.92077  
STRUCTURAL REHABILITATION OF THE RAW WATER TANKS 1 & 2  
AT THE COSTA SUR POWER PLANT  
REQ. 241582

APPEAR

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 83 of May 2, 1941, as amended (Act 83), represented in this act by its Executive Director, Josué A. Colón Ortiz, of legal age, married, engineer, and resident of Caguas, Puerto Rico.

AS SECOND PARTY: Alonso & Carus Iron Works, Inc. hereinafter referred to as "the Contractor", a corporation organized and existing under the laws of the Commonwealth of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its by its President, Jorge L. Ramos Ortiz, of legal age, married, and resident of Toa Baja, Puerto Rico, by virtue of Resolution dated January 27, 2022.

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

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;

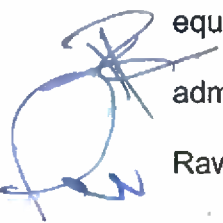
WHEREAS, this Contract was awarded to the Contractor on January 19, 2022, by means of an emergency competitive process (RFP 00003199), Power Advocate Event Number 127498.

WITNESSETH

THEREFORE, IN CONSIDERATION of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, successors, and assignees, as follows:

TERMS AND CONDITIONS

ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Structural Rehabilitation of the Raw Water Tanks #1 and #2 at the Costa Sur Power Plant. In accordance with the specifications stated in herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".


ARTICLE 2. Definitions

Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

2.1 Contracting Officer - shall mean the Executive Director of PREPA, acting directly or through his properly authorized agents.

2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):

- a. Contract
- b. Terms and Conditions
- c. Special Conditions and Technical Specifications
- d. Instructions to Proponents
- e. Questions and Answers during the procurement process
- f. Contractor's Proposal
- g. Performance and Payment Bonds



In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.



2.3 Completion Date - date in which all tasks and project scope had completed.

2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.


2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.


2.6 Final Acceptance - shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.

2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving authority to begin the Work or separate portions of the Work, as established in this Contract.

2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.

2.9 Special Conditions - are all the specific requirements, regulations and/or directions covering particular conditions of the project.

  
2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.

  
2.11 Environmental Compliance Officer - PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.

2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security

officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

ARTICLE 3. Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed three million three hundred twenty-three thousand dollars (\$3,323,000). PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation for Structural Rehabilitation of the Raw Water Tanks #1 and #2 at the Costa Sur Power Plant including but not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.



The invoices submitted by Contractor must be approved by the Engineer and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents.

PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's approval. PREPA shall retain ten percent (10%) of each payment until completion and acceptance of the Project.

Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment.

All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

**No interest Certification:**

We certify under penalty of absolute nullity that no public servant of PREPA is a party or has any interest in the benefit or profit product of the Contract, which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Contract. The only consideration to be received in exchange for the delivery of 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

Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17568-555-354.

ARTICLE 4. Commencement, Prosecution and Completion of Work

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work.

All Work shall be performed on three hundred fifty (350) days on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.

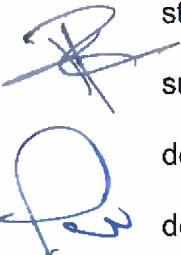
The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).

The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

ARTICLE 5. Suspension of Work



The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.

ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called for or shown in both. In case of any difference between drawings and Specifications, the specifications shall govern. In case of 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 he has received written orders from the Engineer.


The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

ARTICLE 7. Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by

PREPA may include, but not limited to, changes:

- 
1. In the specifications including drawings and design.
  2. In the method or schedule of performance of the Works.
  3. Acceleration in the performance of the Works.

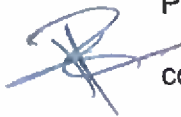


Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agree by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to,


when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

ARTICLE 8. Other Work at the Site



PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and storage their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of

the entire services requires the use of PREPA's own forces or by other contractors, 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.

ARTICLE 9. Inspection

9.1.1 Periodic Inspection



All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers.

Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.


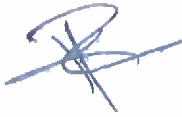
9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the

Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.




ARTICLE 10. Submittals

The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith. Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall




obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.



ARTICLE 11. Superintendence by the Contractor



Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

ARTICLE 12. Sanitary Facilities

The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

ARTICLE 13. Access to Work

The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

ARTICLE 14. Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event.

Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of

proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

ARTICLE 15. Penalties for Delays

If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of two thousand five hundred dollars (\$2,500) for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.

In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only to appeal by the

Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities

16.1 Civil Responsibility

The appearing Parties agree that their responsibilities for damages under this

Contract will be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico.

16.2 Indirect or Consequential Damages

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

16.3. Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.



16.4. Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.




16.5 Save and Harmless Clause


The Contractor agrees to indemnify and save harmless PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained

by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

16.6. Save Harmless for Operation of PREPA's Equipment



The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA.



If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.


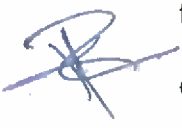
ARTICLE 17. Independent Contractor

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 not be considered as employees or

agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

ARTICLE 18. Termination



PREPA shall have the right to terminate this Contract for convenience, at any moment, by providing the Contractor thirty (30) days written notice by registered mail, return receipt requested, or overnight express mail. If notice is given, this Contract shall terminate upon the expiration of thirty (30) days and PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. The rights, duties and responsibilities of the Parties shall continue in full force and effect during the thirty (30) day notice period. Contractor shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination.

PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duty, noncompliance, or material breach by the Contractor, as determined in the sole discretion of PREPA, or for any other reason described elsewhere in this Contract as a basis for termination. In the event the Contract is terminated by PREPA for cause, PREPA shall be obligated to pay all fees and expenses incurred up to the day of effective termination, in accordance with the terms of this Contract. Contractor

shall have no further right to compensation except for what has been accrued for services rendered under this Contract until said date of effective termination.

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 Contract 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 generation 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.

ARTICLE 19. 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:

19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide workmen's compensation insurance as required by



Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.

19.2 Commercial General Liability Insurance:



The Contractor shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

19.3 Commercial Automobile Liability Insurance:



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

19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

Requirements Under the Policies:

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

a. As Additional Insured:

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

b. A 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 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."

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 Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

Furnishing of Policies:

All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20. Permits and Licenses

The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.

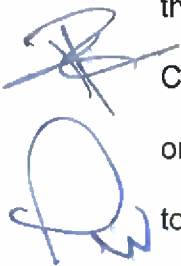
ARTICLE 21. Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

ARTICLE 22. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, 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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.



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 23. Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform

 the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests,  which meeting shall be granted by PREPA in every case of alleged conflict of interests.


If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.

ARTICLE 24. Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

 ARTICLE 25. Other Contracts

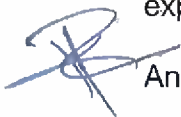
 PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

ARTICLE 26. Minimum Wage Rates


Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

ARTICLE 27. Unfair Labor Practice

In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.



Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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. Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) 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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.

If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22, Transfer of Funds, of this Contract, shall apply.



ARTICLE 29. Subcontractors

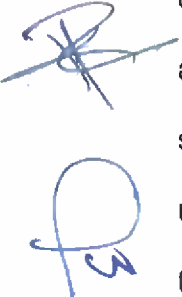


PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

ARTICLE 30. Novation

The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

ARTICLE 31. 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.


ARTICLE 32. Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33. Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

ARTICLE 34. Disputes



All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within ten (10) days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within ten (10) days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages. In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.

ARTICLE 35. Laws to be Observed

Contractor shall observe and comply with any and all federal, state, and municipal laws, ordinances, and regulations that in any manner affect the Work, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of 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 16, Liabilities, of this Contract.

All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

ARTICLE 36. Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

ARTICLE 37. Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.

ARTICLE 38. Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39. Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

ARTICLE 40. Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or

services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.

ARTICLE 41. Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention: Jorge L. Pérez Cotto  
Interim Generation Director

To Contractor: Alonso & Carus Iron Works, Inc.  
P.O. Box 566  
Cataño, Puerto Rico 00963

Attention: Jorge L. Ramos Ortiz  
President

ARTICLE 42. Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.



ARTICLE 43. Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations.

Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

ARTICLE 44. Safety Provisions

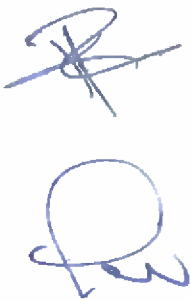
44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's Occupational Safety Division. The Program shall comply with the following minimum requirements of a health and safety program:

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- a. It shall comply with all requirements from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.
  - b. It shall establish the mechanisms used to update and audit compliance with itself.
  - c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.

44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
- b. Description of the activities
- c. Occupational safety and health considerations to be addressed before commencement of the project.
- d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
  - i. Occupational Exposure to Lead (29 CFR 1926.62)
  - ii. Scaffolds (29 CFR 1926 Subpart L)
  - iii. Confined Spaces (29 CFR 1910.146)
  - iv. Occupational Exposure to Noise (29 CFR 1910.95)
  - v. Hazardous Materials (29 CFR 1910 Subpart H)
  - vi. Personal Protective Equipment (29 CFR Subpart I)
  - vii. Hazard Communication (29 CFR 1910.1200)
  - viii. HAZWOPER (29 CFR 1910.120)
  - ix. Fire Protection (29 CFR 1910 Subpart L)
  - x. Commercial Diving (29 CFR 1910 Subpart T)
  - xi. Respiratory Protection (29 CFR 1910.134)
  - xii. Fall Protection (29 CFR 1926 Subpart M)
  - xiii. Electrical (29 CFR 1926 Subpart K)
  - xiv. Welding (29 CFR 1926 Subpart J)
  - xv. Excavations (29 CFR 1926 Subpart P)

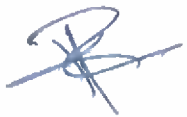
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- xvi. Demolitions (29 CFR 1926 Subpart T)
  - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
  - xviii. Ventilation (29 CFR 1926.57)
  - xix. Tools, Hand, and Powered (1926 Subpart I)
  - xx. Electric Industry (29 CFR 1910.269)
  - xxi. Lockout/Tagout (29 CFR 1910.147)
  - xxii. Asbestos (29 CFR 1910.1001)
- e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.
- g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).




- h. Certification of compliance with medical surveillance requirements, according to scope of work.
- i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.
- j. Safety equipment and materials to be used during the project.
- k. Procedures to verify the work area after each workday and at the end of the project.
- l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.
- m. 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.

44.3 Before commencement of work, the Contractor shall take part in a coordination meeting with the designated Safety Officer and Construction Site Manager, and




the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.

44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.



44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.



44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.

44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

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

44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site-Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the



construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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

44.13 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.



44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.

44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.

ARTICLE 45. Environmental Conditions



45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on under, or about the project site, Contractor shall promptly notify PREPA in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or

permit the escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during





the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

45.6 The Contractor agrees to indemnify PREPA for all expenses and costs of any nature arising out of any claim due to an environmental violation, caused by his agents, employees, subcontractors or assigns during the performance or



non-performance of its obligations under the Contract.

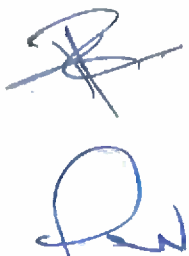
45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.

45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.

45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.

45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).

45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of



maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.

45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.

45.13 The Contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.



45.14 All work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the SPCCP.



45.15 The Contractor shall submit work plan and the SPCCP to the Environmental Engineer. The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.

45.16 All chemical products to be used shall be classified as "Approved" or "Conditional Approved" by PREPA's Hazard Communication Section and by Substances and

Wastes Management Department, before entering the work area of PREPA's premises.

45.17 The Contractor, upon completion of the work, must leave all the work area clean, organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.

45.18 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.

45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.

45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).

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

45.22 All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.

- 45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.
- 45.24 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.
- 45.25 All the construction and disposal materials shall be covered to avoid rainfall exposure during the work activities.
- 45.26 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 in the project. This report will include a copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.
- 45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be causes by process or work operations.
- 45.28 The Contractor shall be responsible to obtain all the necessary permits for the propose activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project.



The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).

45.29 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

45.30 Water flooding of trenches with potable water will not be permitted.

45.31 All paints applied by sprayers shall be of a water-based type.



45.32 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.



45.33 Contractor shall take whatever steps, procedures, or means to prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.

45.34 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.

45.35 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.

45.36 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.



ARTICLE 46. Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of

completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes,

tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment are fulfilled.

PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and properly implemented.

The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.



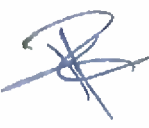
ARTICLE 48. Compliance with the Commonwealth of Puerto Rico Contracting Requirements

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.


- A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.
- B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico: Pursuant to Executive Order No. 1992-52, dated August 28, 1992 amending



OE-1991-24, the Contractor will certify and warrant 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. 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.

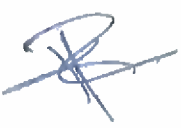



C. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as *Centro de Recaudación de Ingresos Municipales* ("CRIM")). The Contractor further will certify 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, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website).



The Contractor will deliver upon request any documentation requested by PREPA. 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 with regards to its property taxes.


The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by 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 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.

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- D. The Contractor shall provide a Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.
- E. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that


Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.

- F. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of subsidiaries, if applicable, does not have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores (ASUME)*).
- G. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.
- H. The Contractor shall present a Good Standing Certificate issued by the Puerto Rico Department of State.
- I. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.
- J. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non-US citizens, which are nonresidents of the Commonwealth of Puerto Rico, PREPA will

retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda de Puerto Rico*). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

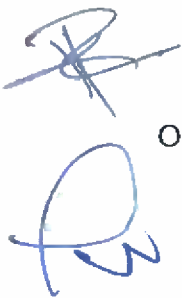


K. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.





L. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, as amended, known as the Ethics Act of the Government of Puerto Rico (Act 1-2012), which stipulates that no employee or executive of PREPA nor any member of his/he immediate family (spouse, dependent children or other members of his/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 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.;

- M. Act 168-2000: Law for the Strengthening of the Family Support and 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 168-2000, as amended, the same is current and in all aspects in compliance. Act 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.
- N. Act 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of 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 Act. No. 18 of October 30, 1975, as amended.
- O. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.
- P. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.
- Q. Anti-Corruption Code for a New Puerto Rico: 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 Puerto Rico (Act 2-2018). 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.

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 (Act 8-2017) or any of the crimes included in Act 2-2018.

  
  
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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code (Act 146-2012), 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.

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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, 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.

R. 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.

S. Prohibition with respect to contracting with officers or employees: (3 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.

T. 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.


U. Prohibition with respect to evaluation and approval by public officers: (3 L.P.R.A. §8615(f)):




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.

V. Prohibition with respect to execution by public officers contracts with 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.



W. Provisions Required under Act 14-2004: 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, if they are available.



X. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor

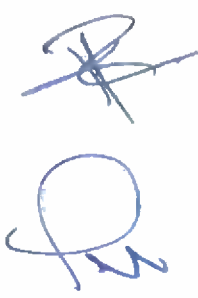
expressly agrees that the conditions outlined above and throughout this Article are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be enough cause for PREPA to terminate this Contract.

ARTICLE 49. Compliance with Applicable Federal Law, Regulations And Executive Orders. This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

49.1 Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708).

A. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work 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. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and 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 section, in the sum of \$27 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 section.

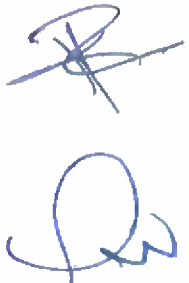
C. Withholding for unpaid wages and liquidated damages. PREPA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

D. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) through (D) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime 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 section.

49.2 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies 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 so certify to the tier above it. 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 (COR3). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.



49.3 Remedies. 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. Upon a material breach by Contractor, PREPA may

utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommend suspension and debarment.

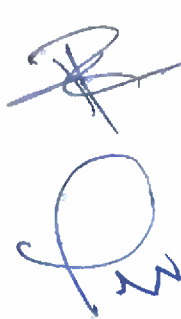
49.4 Clean Air Act and the Federal Water Pollution Control Act.

A. 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.

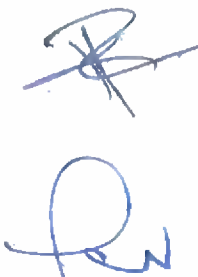
B. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the COR3, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

C. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

49.5 Changes. At any time, changes in the Services or work to be performed within the general scope of this Contract may be made in accordance with Article 7, Changes/Extra Work; provided, however, that no changes shall be made to the scope of the Services 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 or any other U.S. federal agency.



49.6 Sufficiency of Funds. The Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. The Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Contract.



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

49.8 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.

49.9 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.




49.10 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 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.

49.11 Debarment, Suspension, and Ineligibility.



A. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor represents and warrants that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Contractor further 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 of this Contract, the Contractor will 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. The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.



C. 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, an 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.

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

49.13 Review of Laws. The Contractor certifies 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 will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Contractor was able to find it online and read it as required.

49.14 Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations.

A. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, 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. Failure by the Contractor to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.

B. Applicable Regulations and Policy. 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) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
- (3) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.

49.15 Access to Records.



A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, 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 directly pertinent 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 Administrator, the Secretary of HUD, or his authorized representatives access to work sites pertaining to the work being completed under the Contract.

D. In compliance with the Disaster Recovery Act of 2018, PREPA and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

49.16 Retention requirements for records. 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 years from the date of submission by PREPA or the Puerto Rico Emergency Management Agency, on PREPA's behalf, of the final expenditure report for disaster declaration FEMA-4339-DR-PR, as reported to FEMA. 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. It is the responsibility of the Contractor to inquire of PREPA whether the aforementioned final expenditure report has been submitted.

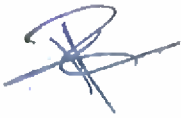
49.17 Program Fraud and False or Fraudulent Statements or Related Acts. The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Contract.


49.18 Procurement of Recovered Materials. In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials

that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired—

- A. Competitively within a timeframe providing for compliance with the Contract performance schedule;
- B. Meeting Contract performance requirements; or
- C. 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>.

 The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

 49.19 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.

49.20 Equal Employment Opportunity. During the performance of this Contract, the Contractor agrees as follows:

- A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during

employment, without regard to their race, color, religion, sex, 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 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, sexual orientation, gender identity, or national origin.

C. The Contractor will 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 will 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 will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.

F. The Contractor will 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 will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor 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 will 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 will be binding upon each subcontractor or vendor. The Contractor will 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.

PREPA further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if PREPA so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.





PREPA agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

PREPA further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, PREPA agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to PREPA under the program with respect to which the failure or refund occurred until satisfactory



assurance of future compliance has been received from PREPA; and refer the case to the Department of Justice for appropriate legal proceedings.

49.21 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.

49.22 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 of this Contract.

49.23 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.

49.24 Section 504 of the Repair Act of 1973, as Amended. The Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of his 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.


49.25 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.


49.26 Compliance with Laws, Regulation and Executive Orders. The Contractor acknowledges that FEMA financial assistance will be used to fund this Contract. The Contractor shall comply will all applicable Federal and Government of Puerto Rico 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 regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

49.27 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.

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

49.29 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. The Contractor shall include this provision in any subcontracts.

  
49.30 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, Contractor, or any other party pertaining to any matter resulting from the contract.

  
49.31 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.

49.32 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.

49.33 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.

49.34 Davis Bacon Act and Copeland Anti-Kickback Act

A. Contractor. 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, which are incorporated by reference into this Contract.

B. Subcontracts. Contractor or subcontractors shall insert in any subcontracts the clause above and such other clauses as FEMA or HUD may by appropriate instructions require, and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

C. Breach. 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.

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

D. Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 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 CFR part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

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

F. Noncompliance with HUD's regulations in 24 CFR 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 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).

49.36 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. Section 3 minimum contracting goals. 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. Eligibility for preference. 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 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.

49.37 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.

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- 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 1(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 1(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 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 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



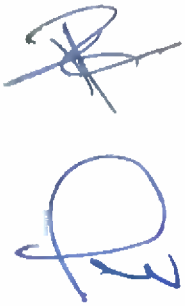
program, Contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(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. Subcontracts. Contractor or Subcontractor will insert in any subcontracts the clauses contained in subparagraphs A through L in this section 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.





I. 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. Disputes concerning labor standards. 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.

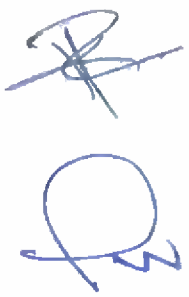
(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(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 1010, 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. Complaints, Proceedings, or Testimony by Employees. 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. Health and Safety. 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.

49.38 Buy American—Construction Materials Under Trade Agreements (Oct 2016)

A. Definitions. As used in this Article—

1. **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—

- 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

b. Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.

3. **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. 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 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);
  - b. 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

- 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—
- 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.

9. **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.
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.



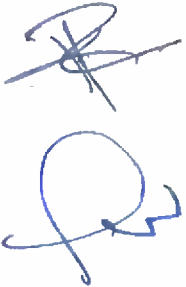
B. Construction materials.

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 (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) <sup>1</sup>
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).

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.

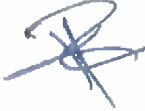
49.39 Prohibition on Contracting for Covered Telecommunications Equipment or Services


- (a) Definitions. As used in this clause, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or

services have the meaning as defined in FEMA Policy 405-143-1, Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services (Interim), as used in this clause—

(b) Prohibitions.

(1) Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after Aug.13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons.

 (2) Unless an exception in paragraph (c) of this clause applies, the contractor and its subcontractors may not use grant, cooperative agreement, loan, or loan guarantee funds from the Federal Emergency Management Agency to:

 (i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(ii) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(iii) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or



(iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

(c) Exceptions.

(1) This clause does not prohibit contractors from providing—

(i) A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

(ii) Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) By necessary implication and regulation, the prohibitions also do not apply to:

(i) Covered telecommunications equipment or services that:

- i. Are not used as a substantial or essential component of any system; and
- ii. Are not used as critical technology of any system.

(ii) Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.

(d) Reporting requirement.

(1) In the event the contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is

notified of such by a subcontractor at any tier or by any other source, the contractor shall report the information in paragraph (d)(2) of this clause to the recipient or subrecipient, unless elsewhere in this contract are established procedures for reporting the information.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.

(e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

49.40 Domestic Preferences for Procurements

(i) As appropriate, and to the extent consistent with law, Contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. This includes, but is not limited to iron, aluminum, steel, cement, and other manufactured products.

(ii) For purposes of this clause:

a. Produced in the United States means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

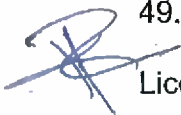
b. Manufactured products mean items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

49.41 Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms


If the Contractor intends to subcontract any portion of the work covered by this Contract, the Contractor must take all necessary affirmative steps to assure that small and minority businesses, women's business enterprises and labor surplus area firms are solicited and used when possible. Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

 49.42 Copyright and Data Rights

License and Delivery of Works Subject to Copyright and Data Rights

 The Contractor grants to the Applicant, a paid-up, royalty-free, nonexclusive, irrevocable, worldwide license in data first produced in the performance of this contract to reproduce, publish, or otherwise use, including prepare derivative works, distribute copies to the public, and perform publicly and display publicly such data. For data required by the contract but not first produced in the performance of this contract, the Contractor will identify such data and grant to the Applicant or acquires on its behalf a license of the same scope as for data first produced in the performance of this contract. Data, as used herein, shall include any work subject to copyright under 17 U.S.C. § 102, for example, any written reports or literary works, software and/or source code, music, choreography,

pictures or images, graphics, sculptures, videos, motion pictures or other audiovisual works, sound and/or video recordings, and architectural works. Upon or before the completion of this contract, the Contractor will deliver to the Applicant data first produced in the performance of this contract and data required by the contract but not first produced in the performance of this contract in formats acceptable by the Applicant.

ARTICLE 50. Term of Contract

This Contract shall be in effect for a period of four hundred fifty-five (455) days from its signing by all Parties.

ARTICLE 51. 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, as amended, 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.

The Contractor represents and warrants that the information included in the Contractor Certification Requirement is complete, accurate and correct, and that any misrepresentation, inaccuracy or 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.

For this Contract, the transfer of skills and technical knowledge required by the Certified Fiscal Plan is inapplicable given the non-recurring or specialized nature of the contracted services.

ARTICLE 52. Correlation of Documents

In case of discrepancy or in the event of conflict among the different Contract documents such as: Contract and the Contractors Proposal, these shall take precedence in the order given. The terms and conditions contained in the Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Proposal.

ARTICLE 53. Complete Agreement

This document, together with all attachments referenced herein, constitutes the complete agreement between the Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract this 10 day of February of 2022, in San Juan, Puerto Rico.

Puerto Rico Electric Power Authority



Josué A. Colón Ortiz  
Executive Director  
Social Security Number 660-43-3747

Alonso & Carus Iron Works, Inc.



Jorge L. Ramos Ortiz  
President  
Social Security Number 660-23-5446  
Email: jramosjr@alonsocarus.com

**Puerto Rico Electric Power Authority**

**Contractor Certification Requirement**

The following certification shall be provided to the Puerto Rico Electric Power Authority 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 contract<sup>1</sup> is (are) the following:

<b>Subcontractor</b>	<b>Principal or Owner</b>	<b>Role</b>	<b>Amount Payable</b>
None			

2. Neither the contractor nor any of its owners,<sup>2</sup> 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:

- Does Not Apply

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).

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 sub-

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

<sup>2</sup>For 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.


Contractor Certification Requirement  
Page 2

contractors, 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 Puerto Rico Electric Power Authority any amounts, payments or benefits received from the Puerto Rico Electric Power Authority 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:  Jorge L. Ramos, Jr.

Date: Jan. 28, 2022

Signature:  \_\_\_\_\_



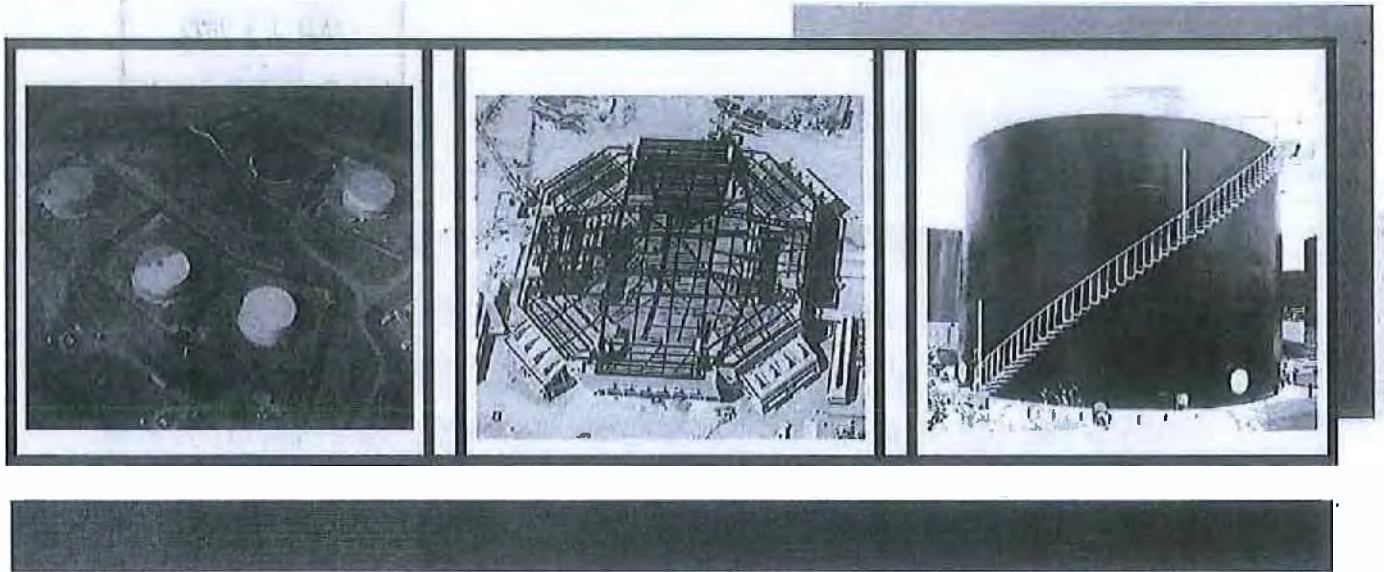
# Proposal

A handwritten signature in blue ink, consisting of a large, rounded 'D' shape followed by a horizontal line and a small flourish.



**ALONSO & CARUS iron works, inc.**

PO Box 566 Cataño PR 00962  
P: 787.788.1065 u F: 787.788.0350 u [sales@alonsocarus.com](mailto:sales@alonsocarus.com)



RFP No. 3199

**STRUCTURAL REHABILITATION  
RAW WATER TANKS 1 & 2 AT COSTA SUR**

Presented to:



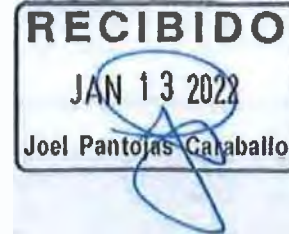
Jan. 13, 2022

PROPOSAL

SECTION I

JANUARY 13, 2022

PUERTO RICO ELECTRIC POWER AUTHORITY  
SAN JUAN, PUERTO RICO



IN COMPLIANCE WITH YOUR INVITATION TO BID FOR THE RFP 3199  
STRUCTURAL REPAIRS RAW WATER TANKS 1 & 2 AT COSTA SUR POWER PLANT AND  
HAVING CAREFULLY EXAMINED AND COMPLETELY UNDERSTOOD ALL OF THE  
CONTRACTOR'S DOCUMENTS, THE UNDERSIGNED PROPOSES TO FURNISH ALL LABOR,  
EQUIPMENT, AND MATERIALS NOT PROVIDED BY PREPA OR OTHERS, AND TO  
PERFORM ALL WORK AS DETAILED, INDICATED OR DESCRIBED IN SAID  
CONTRACTOR'S DOCUMENTS, AND SUBJECT TO ALL CONDITIONS STIPULATED  
THEREIN, STARTING AT THE NOTICE TO PROCEED (NTP) AND FINISHING IN 350  
CALENDAR DAYS FOR THE LUMP SUM OF THREE MILLION THREE HUNDRED  
TWENTY THREE THOUSAND (\$3,323,000.00) DOLLARS FOR THE BASE BID.

SECTION IA

CONTRACT SUM BREAKDOWN (THE SUM OF ALL BREAKDOWN ITEMS SHALL EQUAL THE PROPOSED CONTRACT LUMP SUM SHOWN ON PAGE 1 OF THE PROOSAL):

<u>ACTIVITY</u>	<u>COST</u>
1. GENERAL CONDITIONS (INSURANCES, PROJECT MANAGEMENT, PERMITS, MUNICIPAL TAXES, MOBILIZATION, DIESEL MULE)	\$333,000
2. TANK #1 PILE CAP DEMOLITION WORK	55,000
3. TANK #2 PILE CAP DEMOLITION WORK	55,000
4. REMOVAL OF TANK 1 ROOF AND SHELLS	27,500
5. TANK #1 EXPANSION TO STEEL REINFORCED CONCRETE BASE	192,500
6. TANK #2 EXPANSION TO STEEL REINFORCED CONCRETE BASE	192,500
7. TANK #1 FABRICATION AND INSTALLATION OF SHELLS	283,750
8. TANK #1 FABRICATION AND INSTALLATION OF ROOF PLATES	192,500
9. TANK #1 FABRICATION AND INSTALLATION OF ANCHOR CHAIRS AND BOLTS	110,000
10. TANK #2 FABRICATION AND INSTALLATION OF ANCHOR CHAIRS AND BOLTS	110,00
11. TANK #1 INTERNAL SURFACE PREPARATION AND COATING SYSTEM	275,000
12. TANK #2 INTERNAL SURFACE PREPARATION AND COATING SYSTEM	55,000
13. TANK #1 EXTERNAL SURFACE PREPARATION AND COATING SYSTEM	317,500
14. TANK #1 EXTERNAL SURFACE PREPARATION AND COATING SYSTEM	362,500
15. TANKS #1 & #2 RELOCATION OF ELECTRICAL CONDUITS	123,750
16. TANKS #1 & #2 RELOCATION OF EXISTING OVERFLOWS	41,250
17. INSTALLATION OF ROOF RAILIGNS TANK #1 & #2, AND STAIR ON TANK #1	96,250
18. ALLOWANCE (REPLACEMENT OF RAFTERS AND MISC. WORKS)	500,000
CONTRACT SUM	3,323,000

THE FOLLOWING FEES WILL APPLY TO CHANGES IN THE WORK:

1. 15% OVERHEAD AND PROFIT ON THE NET COST OF WORK DONE BY THE CONTRACTOR.
2. 10% OVERHEAD AND PROFIT ON THE GROSS COST (NET PLUS FEE) OF WORK DONE BY SUBCONTRACTOR.
3. ON WORK DELETED FROM THE CONTRACT, CREDIT TO THE OWNER SHALL BE THE ARCHITECT APPROVED NET COST.
4. WHEN BOTH ADDITIONS AND CREDITS COVERING RELATED WORK OR SUBSTITUTIONS ARE INVOLVED IN ANY ONE CHANGE, THE ALLOWANCE FOR OVERHEAD AND PROFIT SHALL BE FIGURED OUT ON THE BASIS OF THE NET INCREASE, IF ANY, WITH RESPECT TO THAT CHANGE.

SECTION II

QUALIFICATION OF BIDDER

WE HEREBY SUBMIT THE FOLLOWING DATA REGARDING OUR QUALIFICATIONS:

1. PERMANENT PLACE OF BUSINESS

A. CITY CATAÑO STATE PR ZIP CODE 00963

B. STREET RD. 869 NO.                      KM. 0.9

C. TELEPHONE NO. (787) 788-1065 E-MAIL: SALES@ALONSOCARUS.COM

2. FINANCIAL STATEMENT

A. CASH IN BANK OR ON HAND \$ 349,137.00

B. TOTAL PROPERTY VALUE \$ 9,479,240.00

C. OTHER ASSETS TOTAL VALUE \$ 6,774,002.00

TOTAL \$ 16,602,379.00

D. LIABILITIES \$ 11,274,900.00

NET \$ 5,327,479.00

QUALIFICATION OF BIDDERS (CONT.)

3. THE FOLLOWING IS A LIST OF EQUIPMENT I OR WE HAVE AVAILABLE FOR USE ON THIS WORK:

ITEM NO.	QTY.	DESCRIPTION, SIZE, CAPACITY, ETC.	YEARS IN SERVICE	PRESENT LOCATION
1	1	MOTOR CRANE - 60 TON	20	A&C SHOP
2	1	ROUGH TERRAIN CRANE - 22 TON	20	A&C SHOP
3	1	ROUGH TERRAIN CRANE - 60 TON	15	A&C SHOP
4	1	BOOM TRUCK - 28 TON	10	A&C SHOP
5	1	BOOM TRUCK - 17 TON	15	A&C SHOP
6	30	WELDING MACHINES	5 - 10	A&C SHOP
7	2	AIR COMPRESSORS 375 CFM	5 - 10	A&C SHOP
8	3	AIR COMPRESSOR 185 CFM	5 - 10	A&C SHOP
9	2	POWER PLANT 200 KW W. NINE (9) ELECTRIC WELDING MACHINES	2	A&C SHOP
10	1	ARTICULATED MAN-LIFT 45 FT.	12	A&C SHOP
11	4	ARTICULATED BOOM-LIFT 60 FT.	12	A&C SHOP
12	2	TELESCOPIC BOOM-LIFT 80 FT.	12	A&C SHOP
13	1	TELEHANDLER - 6 TON	12	A&C SHOP
14	1	TANK JACKING EQUIPMENT	1	A&C SHOP

QUALIFICATION OF BIDDERS (CONT.)

4. THE FOLLOWING IS A LIST OF ADDITIONAL EQUIPMENT I OR WE INTEND TO PURCHASE OR RENT FOR USE ON THE PROPOSED WORK, SHOULD THE AGREEMENT BE AWARDED TO ME OR US:

ITEM NO.	QTY.	DESCRIPTION, SIZE, CAPACITY, ETC.	APPROXIMATE COST	DATE OF DELIVERY
		NONE		



**QUALIFICATION OF BIDDERS (CONT.)**

5. THE FOLLOWING IS A LIST OF SIMILAR CONTRACTS EXECUTED BY ME OR US:

ITEM NO.	QTY.	TYPE OF WORK	CONTRACT PRICE	COMPLETION DATE
1	2	TANKS D-3 & D-4, COMBINED CYCLE PLANT, AGUIRRE	\$ 2,600,000.00	2001
2	2	TANK R-2, SAN JUAN PLANT	\$ 1,640,000.00	2002
3	1	REHABILITATION OF DIESEL TANK, AGUIRRE PLANT	\$ 774,000.00	2004
4	2	REHABILITATION OF TANKS S-1 & S-2, AGUIRRE PLANT	\$ 960,000.00	2006
5	3	THREE (3) 500,000 GAL. DEMI-WATER TANKS -- MAYAGUEZ GAS TURBINE PLANT	\$ 1,515,000.00	2007
6	1	710,000 GALS. FIRE WATER TANK, COSTA SUR PLANT	\$ 375,000.00	2007
7	1	TANK S-4, PALO SECO PLANT	\$ 600,200.00	2008
8	1	CONDENSATE WATER TANK NO. 10, SAN JUAN PLANT	\$ 403,500.00	2009
9	1	RAW WATER TANK NO. 2, PALO SECO PLANT	\$ 435,000.00	2010
10	1	COLLECTION TANK NO. 1, PALO SECO PLANT	\$ 491,500.00	2010
11	1	RAW WATER TANK NO. 2 SAN JUAN PLANT	\$313,000.00	2011
12	1	RETENTION TANK NO. 2 SAN JUAN PLANT	\$760,000.00	2011
13	1	APH MIX TANK PALO SECO PLANT	\$60,000.00	2012
14	1	6,000 GAL. DEMI-ACID TANK AGUIRRE PLANT	\$63,000.00	2013

15	1	8,200 GAL. CAUSTIC SODA TANK, PALO SECO PLANT	\$93,800.00	2014
16	1	5,600 GAL. DEMI-ACID TANK PALO SECO PLANT	\$71,600.00	2014
17	1	300,000 GAL. EFFLUENTS TANK NO. 2, SAN JUAN PLANT	\$1,400,000.00	2016
18	1	205,000 GAL. RETENTION TANK NO. 3, SAN JUAN PLANT	\$870,000.00	2016
19	1	6,000 GAL. BACK WASH TANK PALO SECO PLANT	\$86,000.00	2016
20	2	6,000,000 GAL. GASOLINE TANKS 31 & 32, TOTAL PETROLEUM	\$5,804,000	2019
21	1	150,000 GAL. CONDENSATE WATER TANK, SAN JUAN PLANT	\$1,241,000	2020
22	1	400,000 GAL. FIRE WATER TANK, DESTILERÍA SERRALES	\$513,900	2020
23	1	230,000 GAL. CONDENSATE TANK 6, COSTA SUR PLANT	\$845,013	2021
24	1	172,000 GAL. DEMI WATER TANK 4, PALO SECO PLANT	\$836,800	2021
25	1	200,000 GAL. NPDES WATER TANK, PALO SECO PLANT	\$800,000	2021

**QUALIFICATION OF BIDDERS (CONT.)**

6. THE FOLLOWING IS A LIST OF CONTRACTS ON HAND:

<b>CONTRACT NO.</b>	<b>DESCRIPTION OF WORK</b>	<b>CONTRACT PRICE</b>	<b>% COMPLETED</b>
	WALSH PUERTO RICO, LLC. VA HOSPITAL SESIMIC RETROFIT	\$3,678,000	96%
	MUNICIPALITY OF BAYAMON, REHABILITATION OF PARQUE DE LAS CIENCIAS PEDESTRIAN BRIDGE	\$2,648,000	21%
	ECONO GATE 5 200,000 GAL. FIRE WATER TANK	\$239,000	0%
	PREPA DEMI TANKS 1 & 2 STRUCTURAL REPAIRS, COSTA SUR POWER PLANT	\$ 4,096,700	35%
	CONSTRUCTORA SANTIAGO 250,000 GAL. FIRE WATER TANK PLAZA FOOD SYSTEM, CAGUAS	\$ 370,000	75%
	JANSSEN-ORTHO, LLC. 250,000 GAL. FIRE WATER TANK GURABO, PR	\$ 484,000	78%
	DEV BUILDERS 100,000 GAL. FIRE WATER TANK' BELLA DISTRIBUTION CENTER, BAYAMÓN	\$ 218,400	0%
	SUIZA DAIRY 40,000 GAL. AEROBIC DIGESTER TANK AGUADILLA, PR	\$ 130,925	77%



**QUALIFICATION OF BIDDERS (CONT.)**

7. TYPE OF ORGANIZATION AND BUSINESS: \_\_\_\_\_

\_\_\_\_\_  
CORPORATION  
\_\_\_\_\_  
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\_\_\_\_\_

8. THE WORK, IF AWARDED TO ME OR US, WILL HAVE THE PERSONAL SUPERVISION OF:

JORGE L. RAMOS, SR., PE

RIGOBERTO ROSADO, PE

JORGE L. RAMOS, JR., API 653, MSCE, PE

CARLOS ALMESTICA, CWI, NACE III

JUAN C. PIÑERO, PHD, PE

PABLO LÓPEZ

**SECTION III**

**EXCEPTIONS CLAUSE**

THIS PROPOSAL COMPLIES WITH THE PUERTO RICO ELECTRIC POWER AUTHORITY'S SPECIFICATIONS NO. 31205 (INCLUDING ALL SUPPORTING DOCUMENTS NAMED THEREIN) WHICH ARE HEREBY MADE A PART THEREOF, AND WHICH SHALL GOVERN IN CASE OF CONFLICT WITH ANY OTHER PROVISION OF THIS PROPOSAL, EXCEPT AS STATED IMMEDIATELY BELOW, IN EXCEPTIONS NUMBERED \_\_\_\_\_ TO \_\_\_\_\_ INCLUSIVE.

NOTES:

- I. NONE

SECTION IV

ADDENDUM RECEIPT

THE UNDERSIGNED CERTIFIES THAT THE FOLLOWING ADDENDA TO THE SPECIFICATION HAVE BEEN RECEIVED AND ARE MADE A PART OF THE AGREEMENT DOCUMENTS:

ADDENDUM NO. <u>1</u>	DATED <u>9/20/2021</u>
ADDENDUM NO. <u>2</u>	DATED <u>10/1/2021</u>
ADDENDUM NO. <u>3</u>	DATED <u>12/14/2021</u>
ADDENDUM NO. <u>4</u>	DATED <u>1/10/2022</u>
ADDENDUM NO. _____	DATED _____

PROPOSAL (CONT.)

THE UNDERSIGNED, JORGE L. RAMOS, JR.  
(PRINT NAME OF UNDERSIGNED)

ON BEHALF OF ALONSO & CARUS IRON WORKS, INC.  
(COMPANY NAME)

SUBMITS THE PROPOSAL HEREINBEFORE CONTAINED.

DATED JANUARY 13, 2022

THIS 13 DAY OF JANUARY, 2022.

ALONSO & CARUS IRON WORKS, INC.  
(NAME OF ORGANIZATION)

BY: JORGE L. RAMOS, JR., MSCE, PE  
(NAME OF PERSON SIGNING  
FOR THE ORGANIZATION)

PRESIDENT  
(TITLE OF PERSON SIGNING)

PO BOX 566

CATAÑO PR 00963

(OFFICIAL ADDRESS OF ORGANIZATION)

(SOCIAL SECURITY OF ORGANIZATION)





### **Technical Approach per Section 1.10.A**

*The Proponent must provide a detailed technical approach to the Project including anticipated activity or methods of analysis. This section shall be organized to generally follow the arrangement of the items of work and the Scope of Engineering Services. Proponent not submitting the required information shall be considered non respondent.*



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[www.alonsocarus.com](http://www.alonsocarus.com)

## PROJECT TECHNICAL APPROACH

The following is a description of the technical approach and anticipated activities for the Structural Repairs of the Raw Water Tanks 1 & 2 at Costa Sur Power Plant:

- A. Tank 1 will be impacted first and these are the anticipated activities per the project scope of work:
1. Remove and dispose all roof plates.
  2. Remove all roof rafters and top ring angle.
  3. Remove and dispose top three (3) shell rings.
  4. Remove any piping and electrical conduits that may interfere with the concrete base expansion. This will be done in coordination with plant personnel.
  5. Demolish 8" of exiting concrete base all around.
  6. Install required steel reinforcing bars.
  7. Install new hot dip galvanized anchor bolts.
  8. Pour new concrete base extension.
  9. Install and weld new anchor chairs.
  10. Install and weld new top three (3) shell rings.
  11. Install and weld new top ring angle and rafter clips.
  12. Relocate overflow pipe.
  13. Re-install roof rafters.
  14. Install and weld new roof plates.
  15. Install new spiral stairway, top platform and roof nozzles.
  16. Re-install piping, electrical conduits and new grounding system.
  17. Sandblast and paint the entire interior surface and apply coating system.
  18. Tank will be ready for operation once the interior surface coating has cured.
  19. Install exterior scaffold and encapsulate the tank (up to the level of the existing old shell plates).
  20. Sandblast and paint the entire exterior surface.
  21. Install stairway luminaries.
- B. Tank 2 will be impacted second and these are the anticipated activities per the project scope of work:
1. Remove any piping and electrical conduits that may interfere with the concrete base expansion. This will be done in coordination with plant personnel.
  2. Demolish 8" of exiting concrete base all around.
  3. Install required steel reinforcing bars.
  4. Install new hot dip galvanized anchor bolts.
  5. Pour new concrete base extension.
  6. Install and weld new anchor chairs.
  7. Relocate overflow pipe.
  8. Re-install piping, electrical conduits and new grounding system.



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9. Sandblast and paint the entire interior surface and apply coating system.
10. Tank will be ready for operation once the interior surface coating has cured.
11. Install exterior scaffold and encapsulate the tank (up to the level of the existing old shell plates).
12. Sandblast and paint the entire exterior surface.
13. Install stairway luminaries.

## **Surface Preparation and Coating Procedures per Section 3.2.J**

*This project has a special time base consideration. PREPA will allow the Contractor to perform some part of the surface preparation and coating procedures at their facilities. Bidders shall include a detail plan for these activities including quality control, transportation and recoating window evaluation. Any areas of the tank after fabrication that require surface preparation shall comply with Article 3.2.L.*



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## COATING APPLICATION PLAN

### A Plan Scope

To describe the quality control for surface preparation and coating application at the shop, transportation of material to the site and the recoat window evaluation.

### B Quality Control

Quality Control at shop includes tests required by Specifications such as:

- Surfaces will be tested for contaminants (CSN Test)
- If surfaces found contaminated, surfaces will be subjected to a pressure water cleaning (5,000 psi minimum) using a solution of potable water and Chlor-Rid in a dilution of 1:100
- Surface profile tests will be performed
- Ambient Conditions will be tested (%RH, Surface Temperature, Air Temperature, Dew Point)
- Coating products will be applied using a single airless system
- Visual Inspection
- DFT Inspection

### C Transportation

Plates will be loaded for transportation to minimize damage to shop applied coating. To minimize damage to the coating during handling, a 2" x 4" wood planks will be placed between steel plates to maintain separation.

### D Recoat Window Evaluation

#### *Interior Primer:*

Interior primer Macropoxy 240 has a maximum recoat time of 12 months. If maximum recoat time is exceeded, surface will be abraded before the application of the final coat.

#### *Exterior Primer:*

Exterior primer Zinc Clad IV has an unlimited recoat time.

## **Evidence of Contractor Required Experience per Section 1.4.B**

*Proponents shall submit evidence of required experience of at least five (5) years in related works (Title of Project Year, Owner). The required experience shall be a list of similar (past or on-going) where the following conditions are or were met:*

- a) Sandblasting of metal surfaces and capacity (CFM) of the compressor used for the work.*
- b) Use of airless spray or plural component equipment. Specify if equipment was rented or own by the company.*
- c) Concrete works.*

*Proponent shall specify if these activities were subcontracted or self-performed. If the activities were subcontracted, Proponent shall establish their subcontractor for this project and evidence of their previous projects which shall be similar in complexity and size. Proponent not submitting the required information shall be considered non respondent.*



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## Tanks Experience

Client or Owner	Job Description	Contract Amount	Date Started	Date Completed
US Navy	Five (5) 4,200,000 Gal. Jet Fuel Tanks, Ceiba	\$6,500,000	11/1986	5/1988
PREPA	Tank R2, San Juan Plant	1,640,000	7/2001	5/2002
PREPA	Rehabilitation of Tanks S1 & S2, Aguirre Plant	960,000	2/2006	12/2006
Amgen Mfg., Ltd.	1,000,000 Gal. Potable Water Tank, Juncos	1,070,000	11/2007	8/2008
PREPA	Three (3) 500,000 Gal. Demi-Water Tanks, Mayaguez Gas Turbine Plant	1,515,000	3/2007	11/2007
PREPA	710,000 Gal. Fire Water Tank, Costa Sur Plant	375,000	9/2006	4/2007
Bacardi Corp.	Four (4) 800,000 Gal. Alcohol Tanks, Cataño	4,438,920	10/2007	11/2008
Bacardi Corp.	Four (4) 100,000 Alcohol Tanks, Cataño	852,300	10/2007	11/2008
Bacardi Corp.	700,000 Gal. Fire Water Tank	455,000	10/2007	11/2008
PREPA	400,000 Gal. Service Tank S4, Palo Seco Plant	600,200	8/2007	7/2008
Bristol Myers Squibb	250,000 Gal. Fire Water Tank, Manatí	350,000	8/2007	3/2008
PREPA	170,000 Gal. Condensate Tank No. 10, San Juan Plant	403,500	2/2009	9/2009
Ocular Sciences Caribbean	175,000 Gal. Potable Water Tank, Juana Diaz	213,900	3/2009	12/2009
PREPA	170,000 Gal. Raw Water Tank No. 2, Palo Seco Plant	435,000	3/2010	8/2010
PREPA	281,000 Gal. Collection Tank No. 1, Palo Seco Plant	491,500	9/2009	6/2010
Amgen Mfg., Ltd.	150,000 Gal. Diesel Tank, Juncos	405,000	12/2009	5/2010
Aireko Construction	200,000 Gal. Fire Water Tank, Walmart Barceloneta	208,650	12/2009	4/2010



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PREPA <sup>2,3</sup>	205,000 Gal. Retention Tank No. 2, San Juan Plant	760,000	9/2010	5/2011
PREPA	170,000 Raw Water Tank No. 2, San Juan Plant	313,000	6/2010	3/2011
Torcon, Inc.	200,000 Gal. Potable Water Tank, Cayey	270,000	7/2010	3/2011
Pfizer, Inc.	125,000 Gal. Potable Water Tank, Guayama	155,500	11/2010	2/2011
Constructora Campo Rico	330,000 Gal. Fire Water Tank, Ceiba Airport	304,000	10/2011	1/2012
PREPA <sup>2</sup>	150,000 Gal. Diesel Tank, Vieques Emergency Plant	487,900	2/2012	11/2012
PREPA	170,000 Gal. Raw Water Tank No. 3, Palo Seco Plant	406,000	4/2012	10/2012
PREPA	400,000 Gal. Service Tank S2, Palo Seco Plant	878,600	5/2011	3/2012
Warner Chilcott PR, LLC.	150,000 Gal. Fire Water Tank, Manatí	166,800	4/2012	7/2012
Allied Waste of PR	300,000 Gal. Leachate Tank, Salinas	308,500	5/2012	8/2012
PREPA	6,000 Gal. Demi-Acid Tank, Aguirre Plant	63,000	3/2013	5/2013
Puma Energy Caribe	Tank Farm Rehabilitation	4,143,232	8/2012	11/2013
PREPA	10,000 Gal. Waste APH Mix Tank, Palo Seco Plant	59,000	10/2012	3/2013
PC Puerto Rico, LLC.	Rehabilitation and Piping Works on TK-76, Guaynabo	360,000	3/2013	4/2013
PREPA	8,200 Gal. Caustic Soda Tank, Palo Seco Plant	93,800	10/2013	1/2014
PREPA	5,600 Gal. Demi-Acid Tank, Palo Seco Plant	71,600	10/2013	1/2014
Pfizer, Inc.	100,000 Diesel Tank, Barceloneta	191,000	3/2014	11/2014
Destilería Serrllés	1,600,000 Gal. Molasses Tank, Ponce	1,046,000	8/2014	4/2015
Universal Fire Sprinklers	240,000 Gal. Fire Water Tank, Bayamón	208,650	9/2014	2/2015
Constructora Santiago	200,000 Gal. Fire Water Tank, Walmart Hatillo	210,000	12/2014	6/2015
Aireko	200,000 Gal. Fire Water	265,800	6/2015	9/2015





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	Tank, GE Global Arecibo			
PREPA <sup>2,3</sup>	300,000 Gal. Effluents Tank No. 2, San Juan Plant	1,400,000	11/2014	3/2016
PREPA <sup>2,3</sup>	205,000 Gal. Retention Tank No. 3, San Juan Plant	870,000	7/2015	8/2016
PREPA	6,000 Gal. Back Wash Tank, Palo Seco Plant	86,000	7/2016	10/2016
Northwestern Selecta	150,000 Gal. Fire Water Tank, San Juan	167,500	9/2016	12/2016
Total Petroleum PR	6,500,000 Gal. Gasoline Tanks, San Juan	5,482,300	11/2017	3/2019
Sartorius Stedim	150,000 Gal. Fire Water Tanks, Yauco	310,000	10/2017	2/2018
Thermo King	200,000 Gal. Fire Water Tank, Arecibo	250,600	7/2018	10/2018
World Fuel Service	70,000 Gal. Jet Fuel Tanks, LMM Airport	670,000	2/2019	6/2019
PREPA <sup>2</sup>	160,000 Gal. Condensate Water Tank, San Juan Plant	1,241,722	6/2019	6/2020
Destilería Serrallés	400,00 Gal. Fire Water Tank	513,900	3/2020	7/2020
El Dorado Technical	75,000 Gal. Jet Fuel Tank, PRANG, Carolina	137,300	1/2020	10/2020
PREPA	230,000 Gal. Condensate Tank 6, Costa Sur Plant	845,013	10/2020	1/2021
PREPA	186,000 Gal. NPDES Tank, Palo Seco Plant	800,000	9/2020	5/2021
PREPA	150,000 Gal. Demi Tank 4, Palo Seco Plant	836,600	5/2021	9/2021
Eaton <sup>3</sup>	153,000 Gal. Fire Water Tank, Las Piedras	320,366	4/2020	On-Going
PR Hospital Supply <sup>3</sup>	150,000 Gal. Fire Water Tank, Río Grande	253,000	11/2020	9/2021
Sustech	32,000 Gal. Fire Water Tank	91,500	12/2020	7/2021
MLM Restaurants	150,000 Gal. Fire Water Tank, Cataño	206,322	1/2021	4/2021
Industrial Sprinklers	200,000 Gal. Fire Water Tank, Crowley Terminal	237,800	10/2020	4/2021
Janssen-Ortho	250,000 Gal. Fire Water Tank, Gurabo	472,000	10/2020	On-Going
Purico, LLC.	60,000 Gal. Fire Water	137,100	10/2021	On-Going



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	Tank, Ponce			
Constructora Santiago	250,000 Gal. Fire Water Tank, Caguas	411,900	11/2021	On-Going
PREPA	500,000 Gal. Demi Tanks 1 & 2 Structural Repairs, Costa Sur Power Plant.	4,096,700	9/2021	On-Going
Suiza Dairy	40,000 Gal. Aerobic Digester Tank, Aguadilla	131,000	12/2021	On-Going

<sup>1</sup>All tanks designed, fabricated, erected and painted by Alonso & Carus Iron Works, Inc.

<sup>2</sup>These works required full enclosure of the working area to perform the sandblasting and painting of the tank exterior surface. The works were performed with air compressors ranging in capacity from 185 to 375 cfm and airless spray and/or plural component equipment owned by A&C.

<sup>3</sup>These works required the design and construction of deep pile foundations and/or new concrete bases.

**In compliance with the requirement of Special Conditions Section 1.4.B, we hereby certify that all activities related to the above projects were self-performed by A&C. No sub-contractors were involved in the execution of any of the activities related to the fabrication, erection and painting of the above listed projects.**

**References:**

1. Destilería Serrallés  
Alberto Torruella (939) 940-5001  
[alberto.torruella@serralles.com](mailto:alberto.torruella@serralles.com)
2. PREPA  
José Vázquez (787) 528-4176  
[jose.vazquez@prepa.com](mailto:jose.vazquez@prepa.com)
3. Total Petroleum Puerto Rico  
Gianfranco Ungaro  
[gianfranco.ungaro@tpprc.com](mailto:gianfranco.ungaro@tpprc.com)
4. Puma Energy Caribe  
Rafael Arsuaga (787) 528-2058  
[rafael.arsuaga@pumaenergy.com](mailto:rafael.arsuaga@pumaenergy.com)
5. World Fuel Service  
Daniel Walsh (786) 479-0539  
[dwalsh@wfscorp.com](mailto:dwalsh@wfscorp.com)

### **Project Manager Experience per Section 1.4.C**

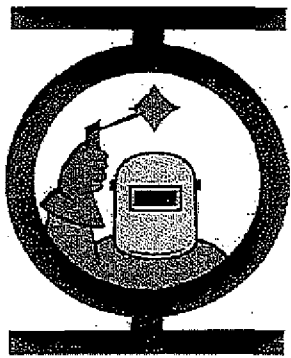
*Proponents shall submit evidence of required experience of the Project Manager requested in Article 1.3.D, Quality Assurance of at least ten (1) years in related works. The required experience shall be a list of similar projects (past or ongoing). Proponent not submitting the required information shall be considered non-respondent.*

*1.4.D Contractor shall have on the project at all-time a Project Manager with at least ten (1) year experience on civil and concrete construction projects. The Project Manager must a be a professional engineer with License to practice in Puerto Rico and member of the CIAPR.*

### **History of Firm per Section 1.10.D**

*Proponent/Contractor shall submit the following information. Proponent not submitting the required information shall be considered non-respondent.*

- a) Abbreviated history of firm.*
- b) Evidence of Experience required on Article 1.4.A – Experience of individuals who will perform the work including proof that the Proponent has on staff an engineer with the experience in projects with the same characteristics and requested ion these Special Conditions.*



# ALONSO & CARUS

iron works, inc.

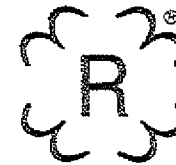
Fabricating Quality since 1961



AISC  
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**AWCF**  
CERTIFIED WELDING FABRICATOR®



Structural Steel • Steel Tanks • Miscellaneous Metals • Steel Plate Fabrication • Industrial Coatings  
Standing Seam • Welding and Tank Inspections • Engineering and Construction Services





## Corporate Information

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### Corporate Officials:

- Jorge L. Ramos, Sr. – CEO
- Jorge L. Ramos, Jr., API 653, MSCE, PE – President
- Juan C. Piñero, PhD, PE – Vice-President

### Contact Information:

- Phone: (787) 788-1065
- E-mail: [sales@alonsocarus.com](mailto:sales@alonsocarus.com)
- Website: <https://www.alonsocarus.com>
- LinkedIn: <https://www.linkedin.com/company/alonso-&-carus-iron-works-inc/>
- Facebook: <https://www.facebook.com/alonsocaruspr>
- Instagram: [https://www.instagram.com/alonso\\_carus/](https://www.instagram.com/alonso_carus/)



## Corporate Information

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### Physical Address:

- Cataño Branch - Rd. 869 Km. 0.9, Cataño PR 00962
- Toa Baja Branch - Rd. 865 Km. 4.6, Toa Baja PR 00949

### Business Hours:

- Monday thru Friday 8:00 AM – 5:00 PM

### Number of Employees: 77

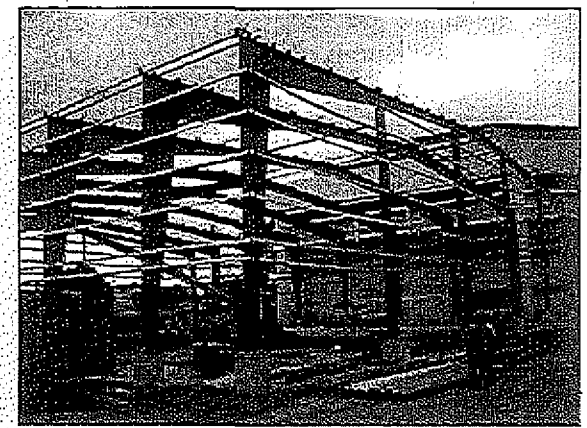
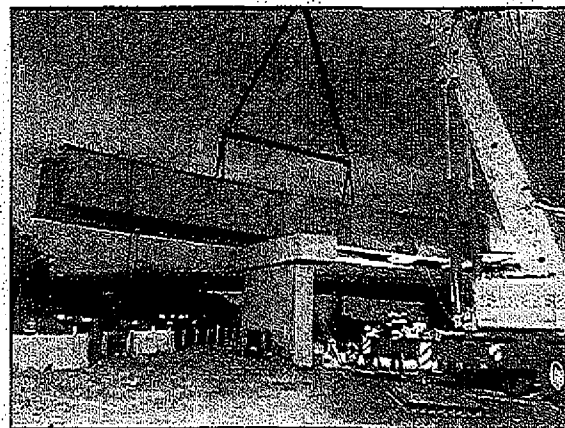
### Certifications:

- American Institute of Steel Construction (AISC)
  - Certified Building Fabricator (BU)
  - Certified Erector (CSE, SEE, MEE)
- American Society of Mechanical Engineers (U & R Stamps)
- Factory Mutual (FM)
- Underwriters Laboratories (UL)



## Products - Structures

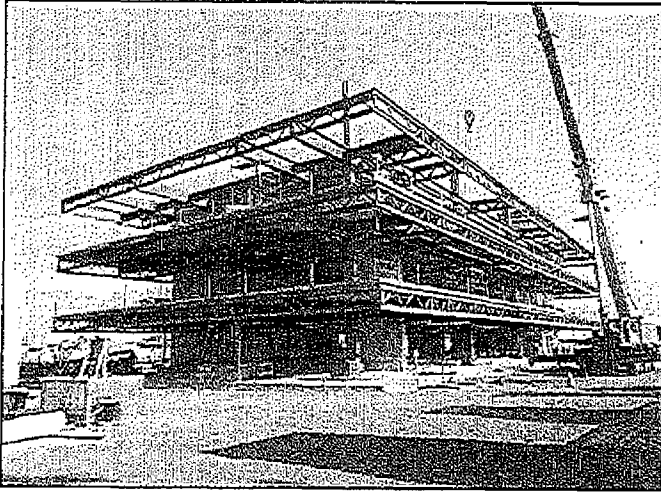
- Steel Structures
- Pipe Racks
- Plate Girders
- Trusses
- Steel Joists
- Canopies
- Bridges
- Platforms



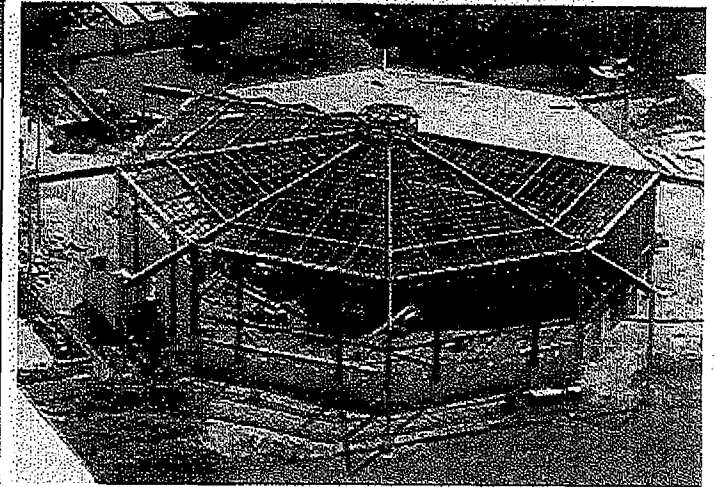
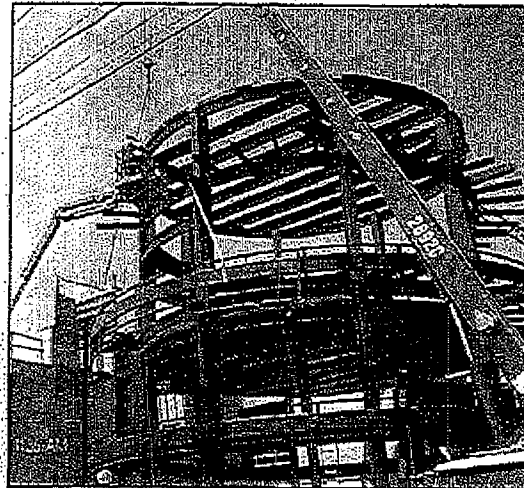
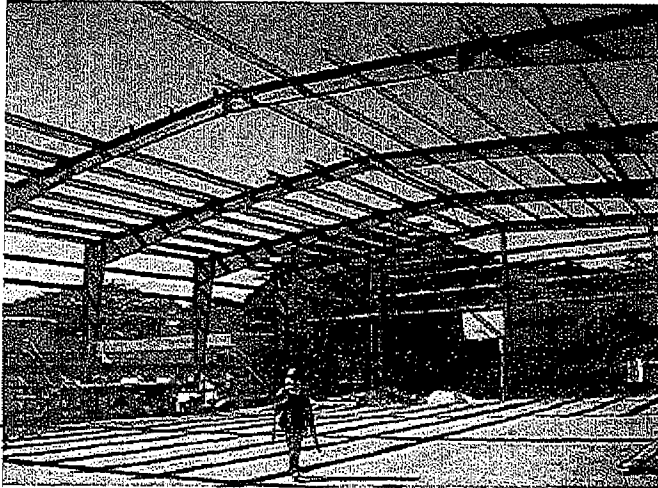




## Products – Pre-Engineered Buildings



- A&C's metal buildings are custom made to customer's needs.
  - Commercial Buildings
  - Warehouse Buildings
  - Multi-Purpose Buildings

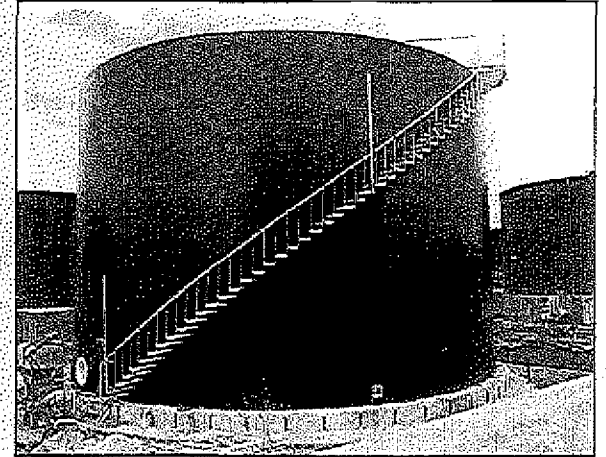
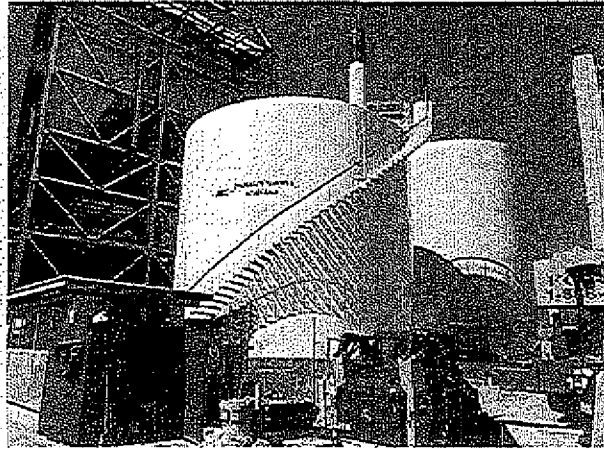
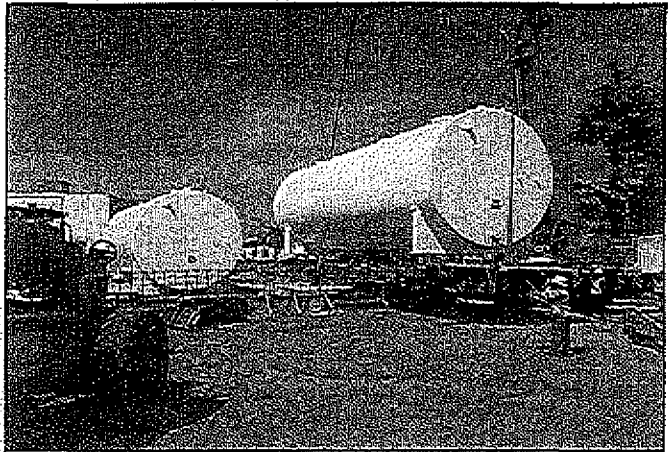




## Products - Tanks

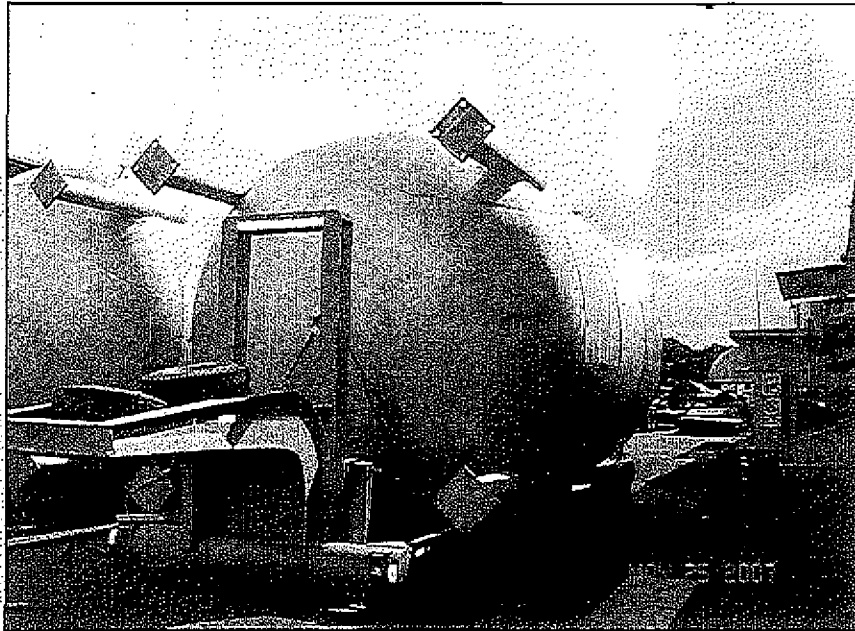


- Fuel Oil
- Potable Water
- Fire Water
- Wastewater
- Carbon and Stainless Steel
- Designed to meet AWWA, NFPA, API, UL and FM criteria.



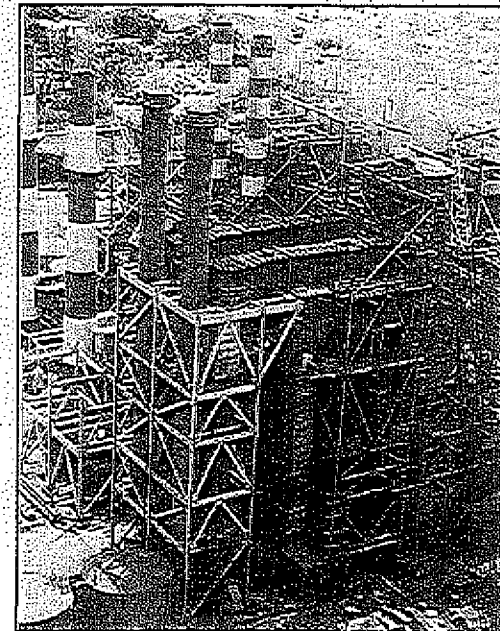


# Products



## Pressure Vessels

- Certified to design and shop fabricate ASME Section VIII DIV 1 Pressure Vessels that require "R" or "U" Code Stamps.

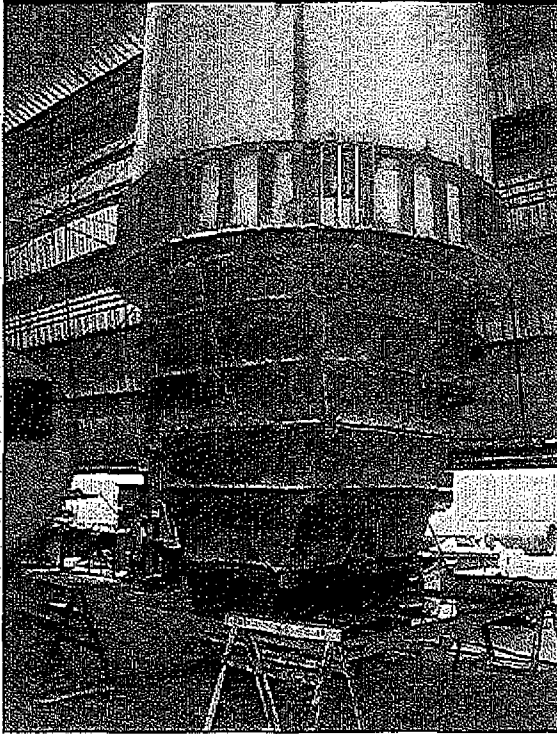


## Steel Stacks

- Single-wall stacks to dual-wall stacks incorporating vibration dampening systems.



# Products



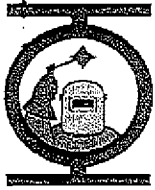
## Silos and Bins

- A&C can design and fabricate silos and bins for any type of industry.

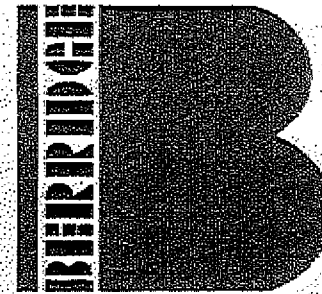
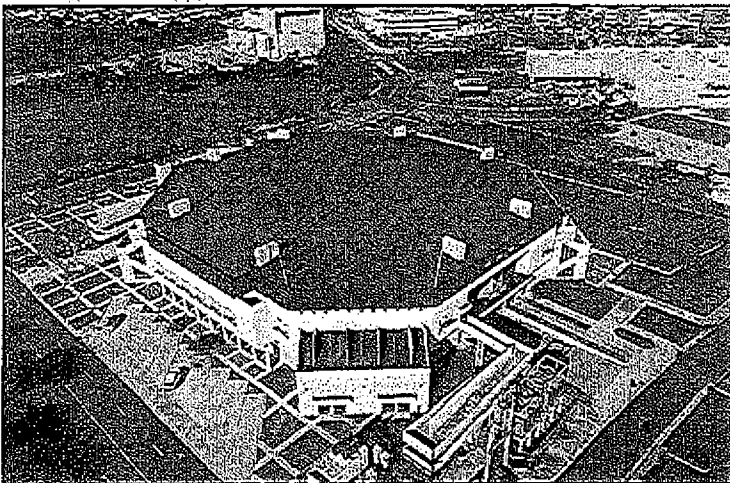


## Ductworks

- Our ductwork projects are typically carbon or stainless steel circular/rectangular ducts.



## Products – Berridge Total Program



- A&C is a licensee of Berridge Manufacturing Co., with exclusive on-site fabrication technology, fully supported by Product Material, Finish and Watertightness Warranty Service from Berridge Manufacturing Co.

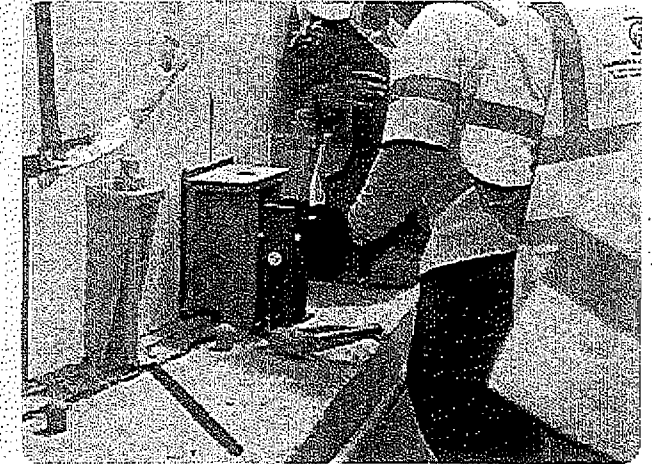
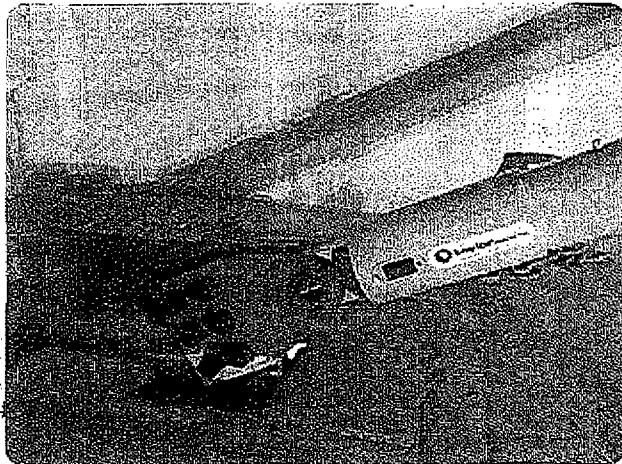




# Construction, Inspection, Testing & Repair Services

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- Engineering, Procurement & Construction
- Building and Tank Seismic Retrofits
- Waterproofing of Tanks Secondary Containment
- Tank Demolitions
- Tank Coating Services

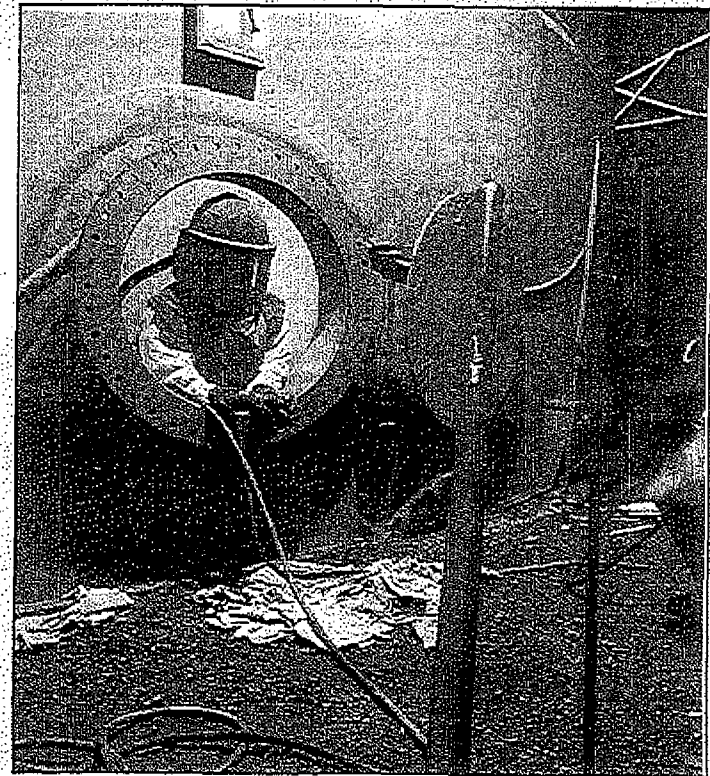




# Construction, Inspection, Testing & Repair Services

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- API 653 Tank Inspections
- Repair of Aboveground Storage Tanks
- Repair and Alteration of ASME Coded Vessels and Heat Exchangers
- Sandblasting
- Non Destructive Testing
  - Ultrasonic Thickness Test (UT)
  - Magnetic Particle Test (MT)
  - Liquid Penetrant Test (PT)





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# FACILITIES





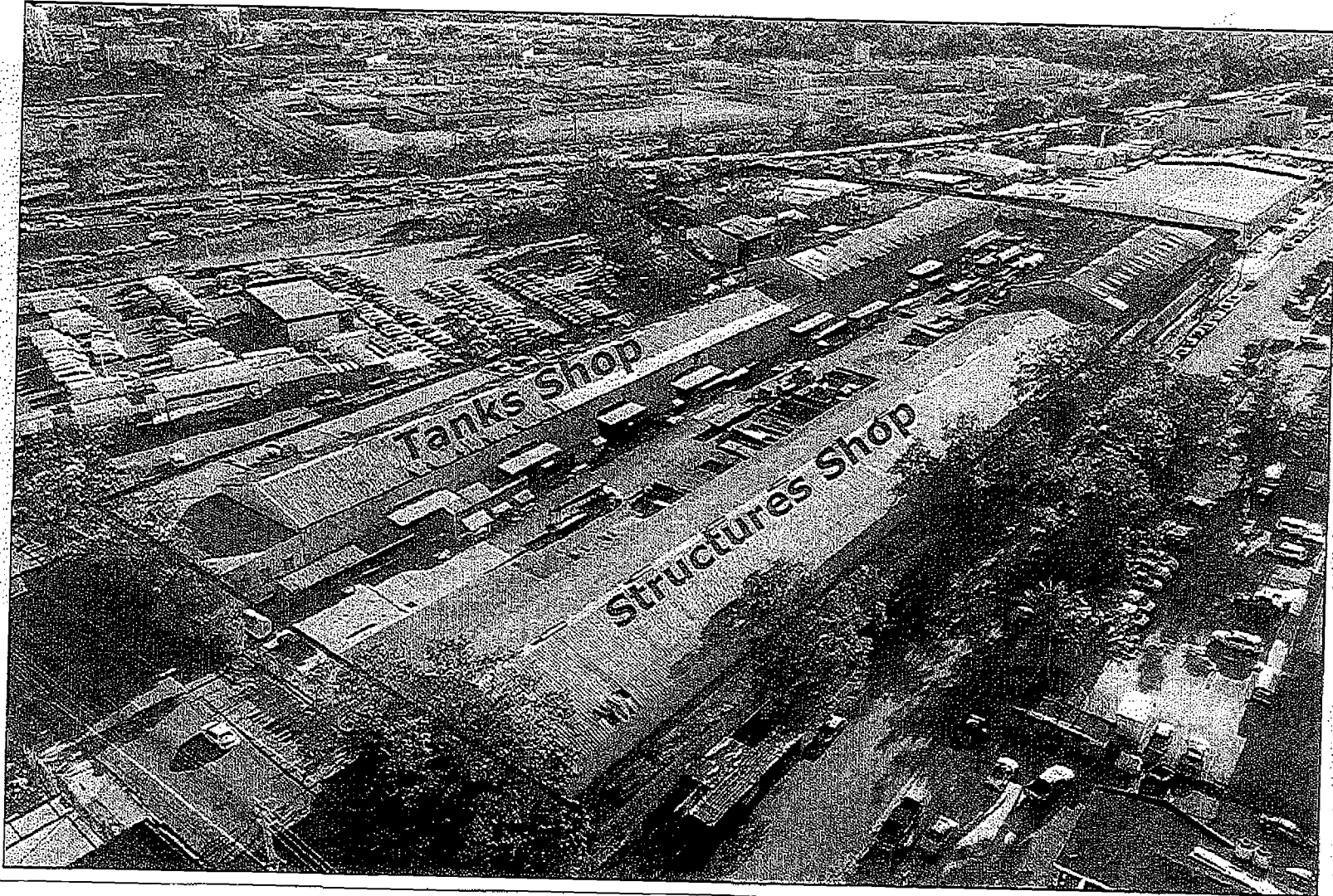
# Facilities

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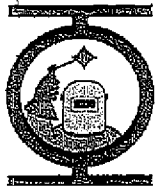
- Manufacturing Facilities
  - Total Area:
    - 7 acres
  - Manufacturing Area (under roof):
    - 100,000+ ft.2
  - Overhead Cranes:
    - Four (4) 5 Ton Capacity
    - Three (3) 10 Ton Capacity
    - Four (4) 20 Ton Capacity
  - Stock:
    - 3,000 ton+ (plates and structural shapes)



## Facilities – Cataño, PR

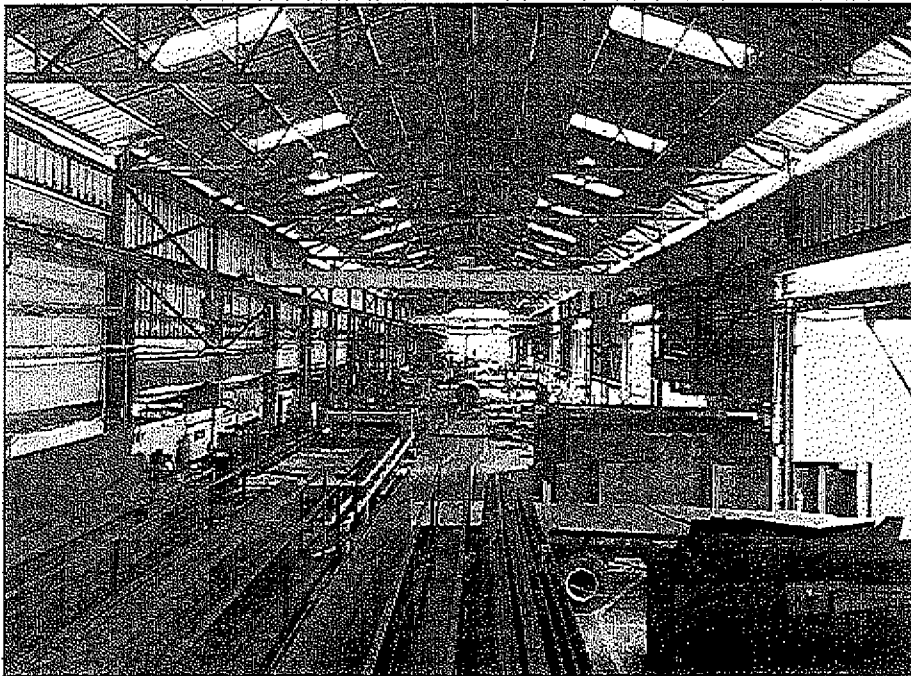


Alonso & Carus Iron Works, Inc. Proprietary



## Facilities – Cataño, PR

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**Tanks Shop**

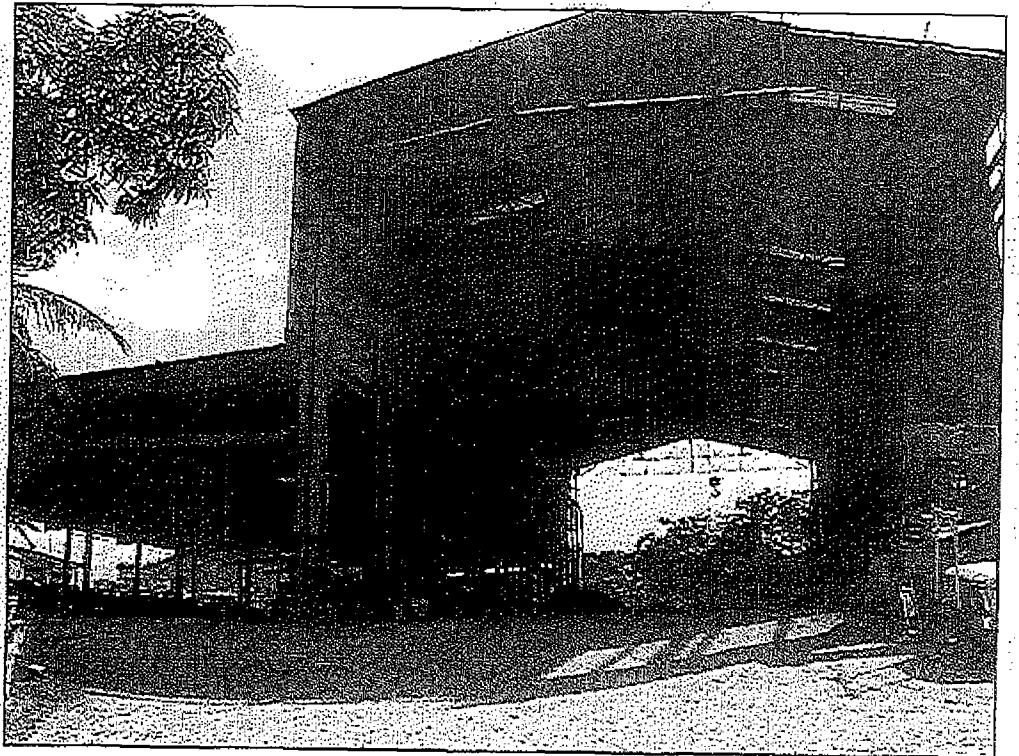
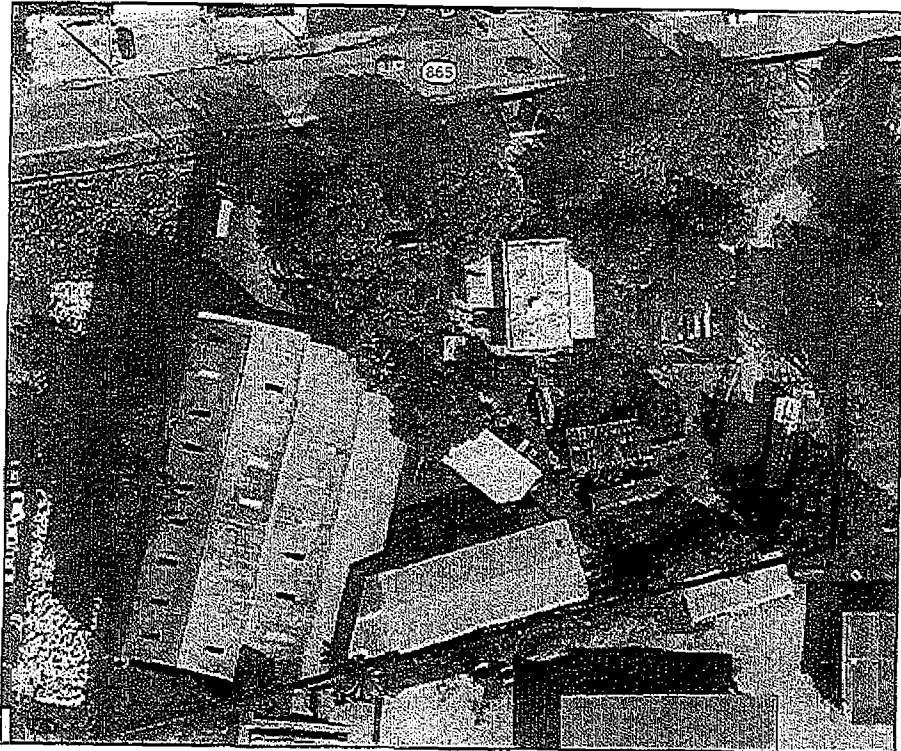


**Structures Shop**



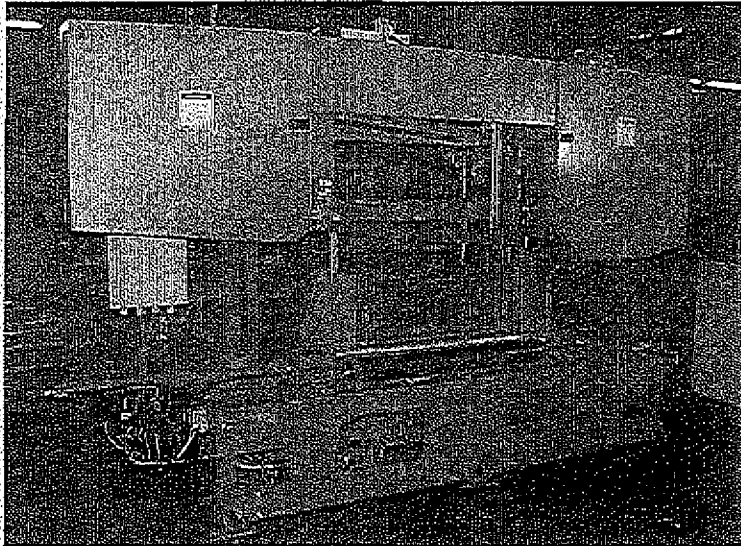
## Facilities – Toa Baja, PR

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## Shop Equipment



### Band Saw

- Model: Gernetti Twin Column 38-18
- Cutting Envelope: 38" x 18"
- Cutting Speed: 50 – 360 FPM
- Blade Motor: 17 HP
- Year Purchased: 2008



### Coping Line

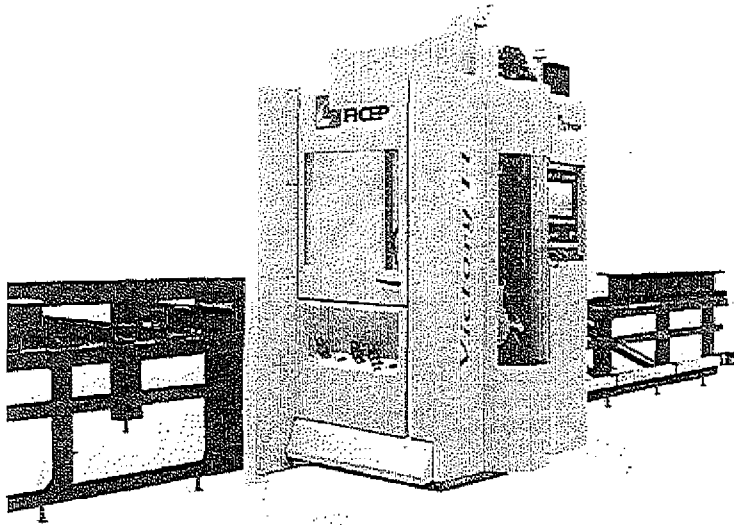
- Model: Amtek BC4048
- Max. Beam Depth: 40"
- Cutting System: Oxy Fuel Torch
- CNC Control: PC
- Year Purchased: 2008





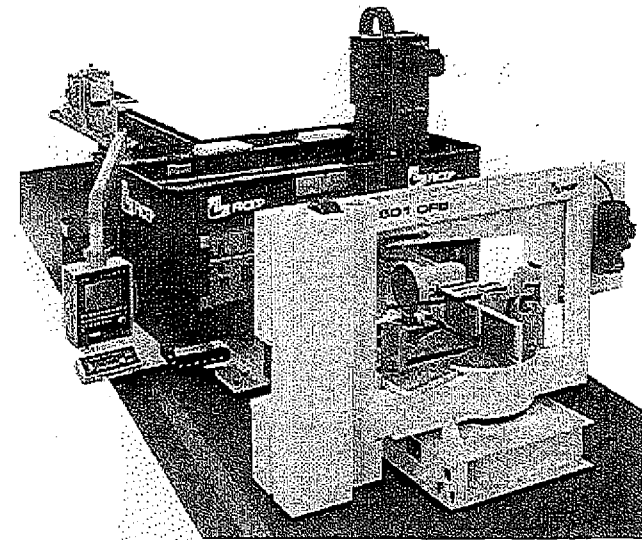
# Shop Equipment

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## □ Drilling Line #1

- Model: Ficep Victory 11 Single Spindle
- Max. Drill Diam: 1 9/16"
- Max. Beam Depth: 44"
- CNC Control: PC
- Year Purchased: 2008

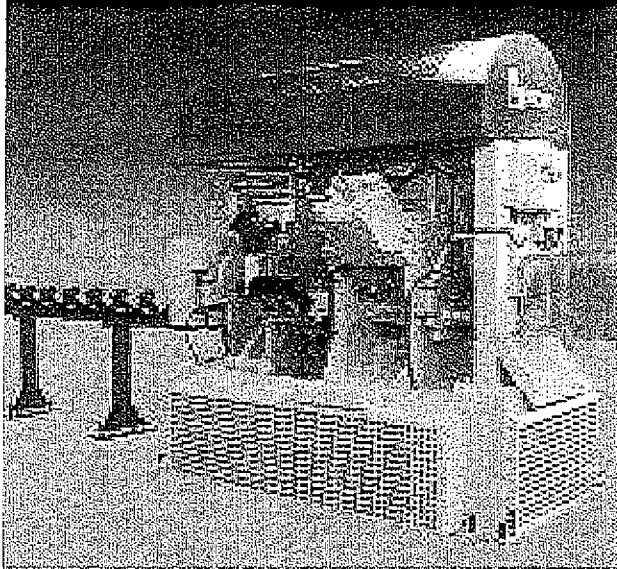


## □ Drilling Line #2

- Model: Ficep DZB 1101 Drill/Saw Combo
- Max. Drill Diam: 1 9/16"
- Max. Beam Depth: 44"
- CNC Control: PC
- Year Purchased: 2014

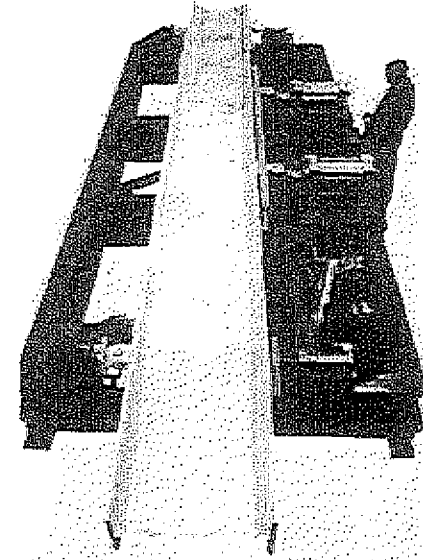


## Shop Equipment



### Angle Line

- Model: Ficep A162
- Max. Angle Size: 6" x 6" x 5/8"
- Max. Diam.: 1-3/16"
- Punching Capacity: 72 Ton
- CNC Control: PC
- Year Purchased: 2010



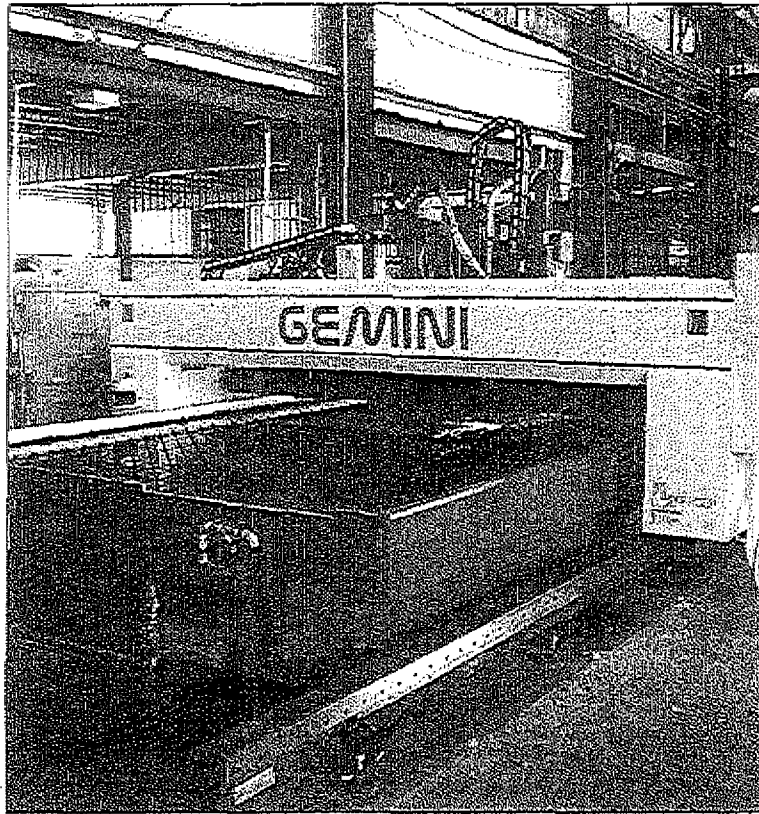
### Cambering Machine

- Model: Cambercat BC-900
- Press Capacity: 333 Ton
- Max. Beam Size: W36 x 210
- Year Purchased: 2010



## Shop Equipment

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- Gantry Drilling and Thermal Cutting Machine
  - Model: Ficep Gemini 254 PG
  - Max. Size: 8' x 30'
  - Max. PL. Thickness: 3" (drill) and 2-1/2" (plasma cut)
  - CNC Control: PC
  - Year Purchased 2010
- Other shop equipment includes:
  - One (1) ESAB Shadow 2 Gantry Cutting Machine
  - Two (2) Plate Rollers (max. thickness 1-1/4")
  - Two (2) Angle/Pipe Rollers (max. size L6 x 6 x 5/8)
  - One (1) Welding Manipulator





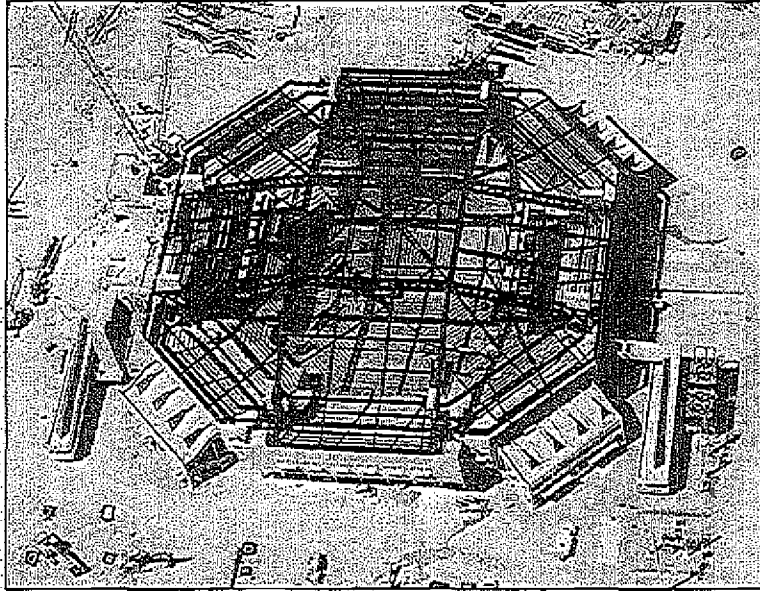
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# PROJECTS



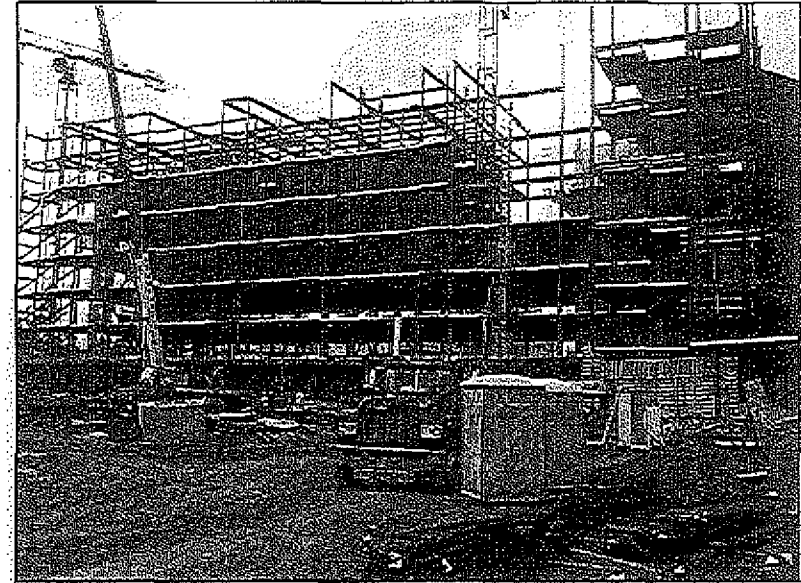
# Structures Projects

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## Humacao Coliseum

- Owner: Municipality of Humacao
- Client: San Lorenzo Construction
- Location: Humacao, PR
- Cost: \$ 4,873,000



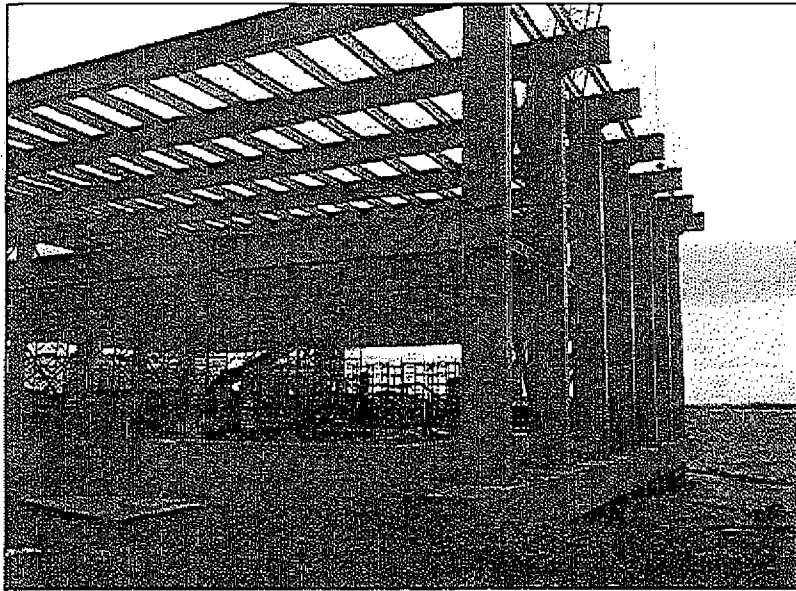
## Caguas Judicial Center

- Owner: Ramhill Development, Inc.
- Client: F&R Construction, Inc.
- Location: Caguas, PR
- Cost: \$ 4,328,000
- Year Completed: 2013



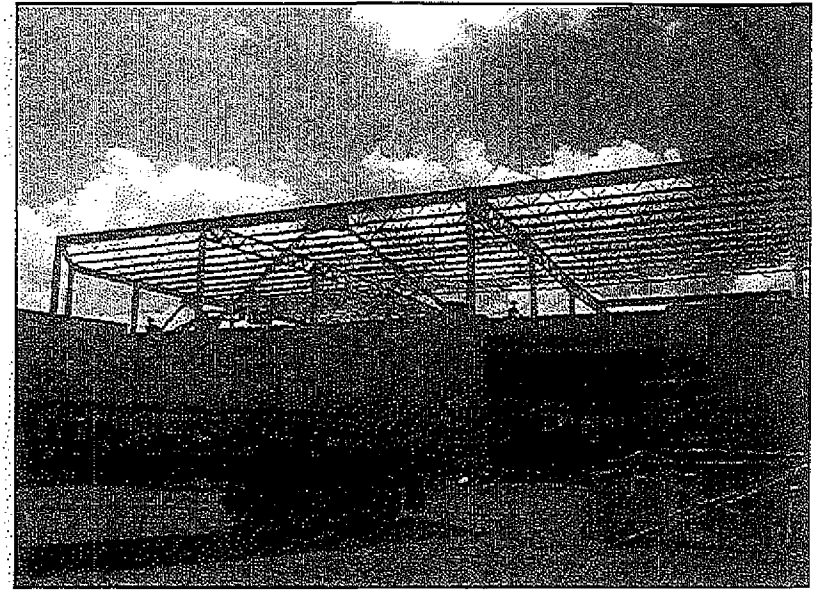
# Structures Projects

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## Trailer Bridge Turndeck

- Owner: Trailer Bridge
- Client: Del Valle Group
- Location: San Juan, PR
- Cost: \$ 1,235,000



## Burlington Coat Factory

- Owner: Burlington Coat Factory
- Client: Frama Builders
- Location: Santa Rosa Mall - Bayamon, PR
- Cost: \$ 854,300



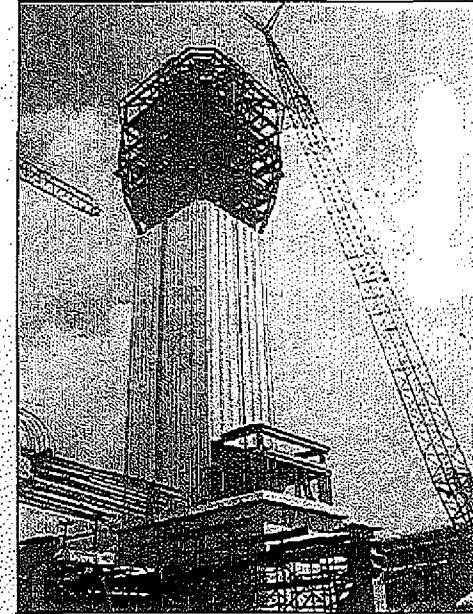
# Structures Projects

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## **Puma Dock Rehabilitation**

- Client: Puma Energy Caribe
- Location: Guaynabo, PR
- Cost: \$ 1,772,000



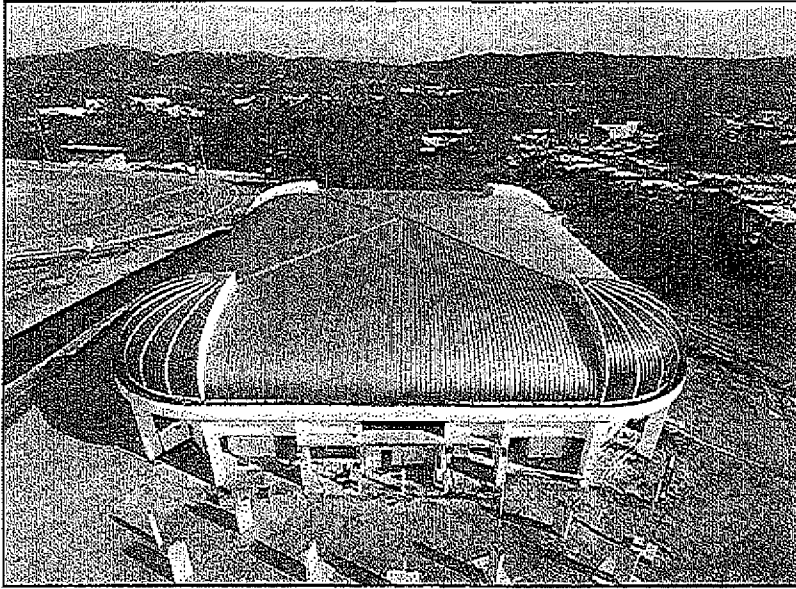
## **Air Traffic Control Tower**

- Owner: PR Ports Authority
- Client: QB Construction, SE
- Location: Carolina, PR
- Cost: \$ 1,800,000



# Structures Projects

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## San Lorenzo Coliseum

- Owner: Municipality of San Lorenzo
- Client: Best Work Construction, SE
- Location: San Lorenzo, PR
- Cost: \$ 2,261,000



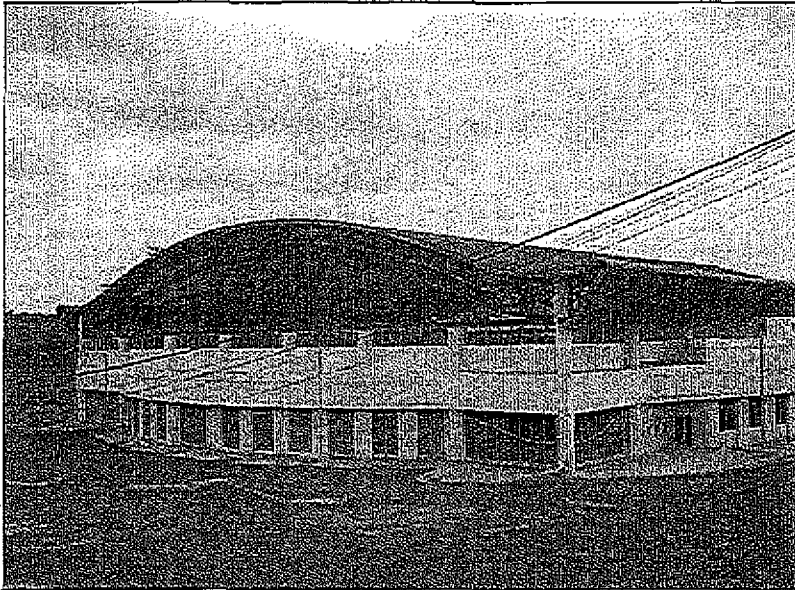
## Candelero Sports Complex

- Owner: Municipality of Humacao
- Client: San Lorenzo Construction
- Location: Humacao, PR
- Cost: \$ 247,000



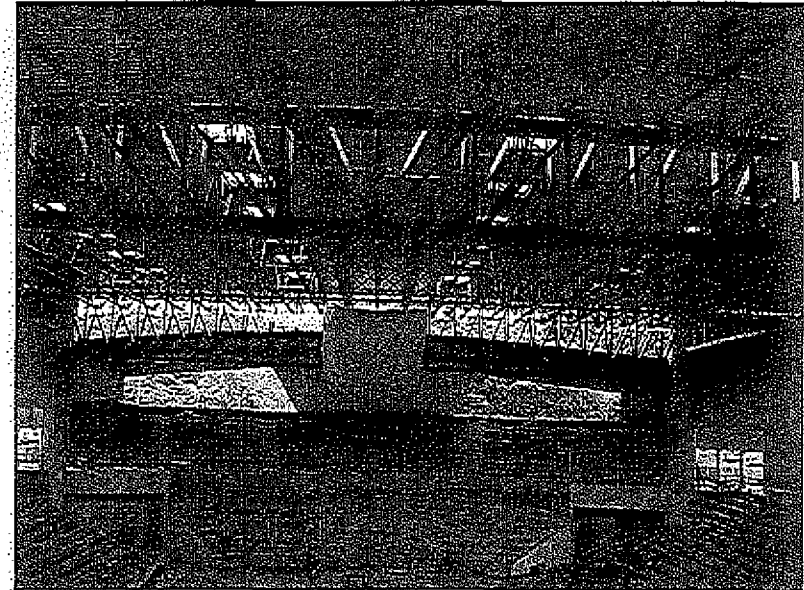
# Structures Projects

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## Juana Diaz Coliseum

- Owner: Municipality of Juana Diaz
- Client: Caribe General Constructors, Inc.
- Location: Juana Diaz, PR
- Cost: \$ 2,800,000



## Morovis Coliseum

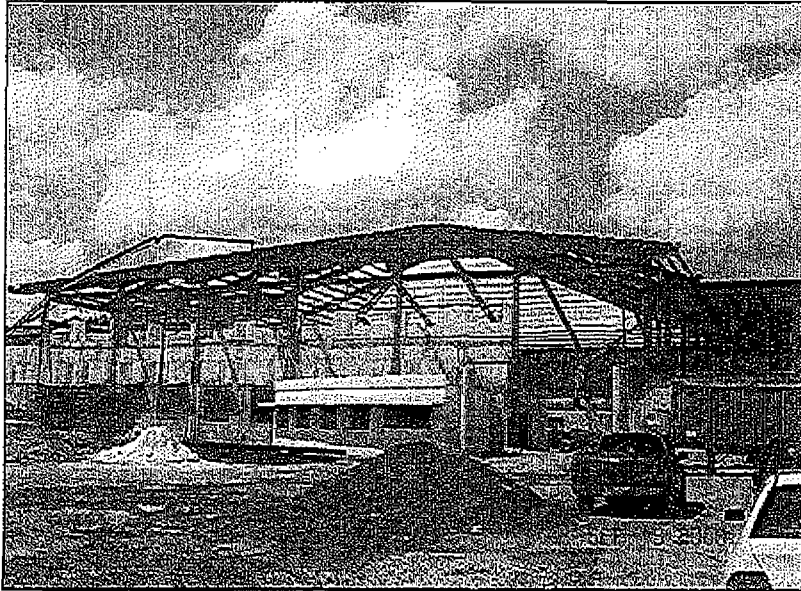
- Owner: Municipality of Morovis
- Client: Universal Development, SE
- Location: Morovis, PR
- Cost: \$ 845,000





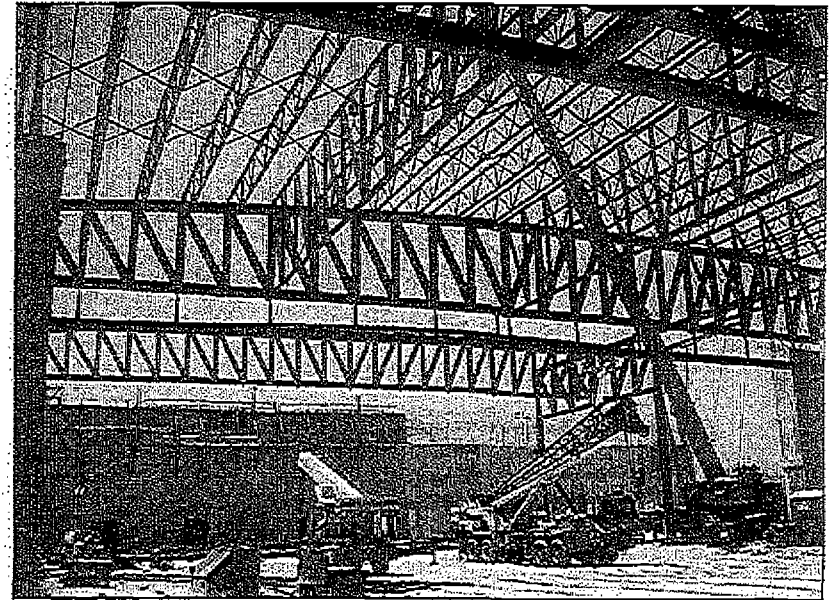
# Structures Projects

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## **Gurabo Sports Complex**

- Owner: Municipality of Gurabo
- Client: San Lorenzo Construction
- Location: Gurabo, PR
- Cost: \$ 1,547,000



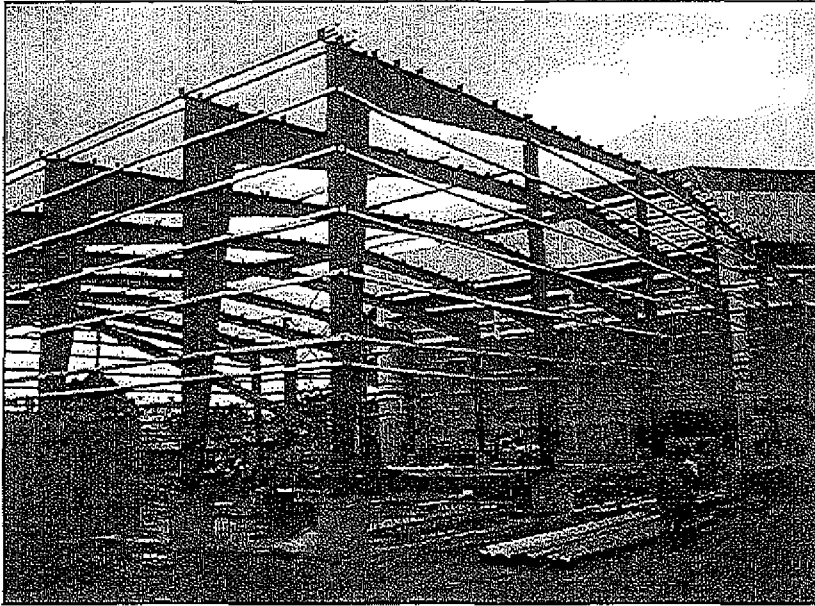
## **Ponce Convention Center**

- Owner: Municipality of Ponce
- Client: Venegas Construction
- Location: Ponce, PR
- Cost: \$ 4,208,265



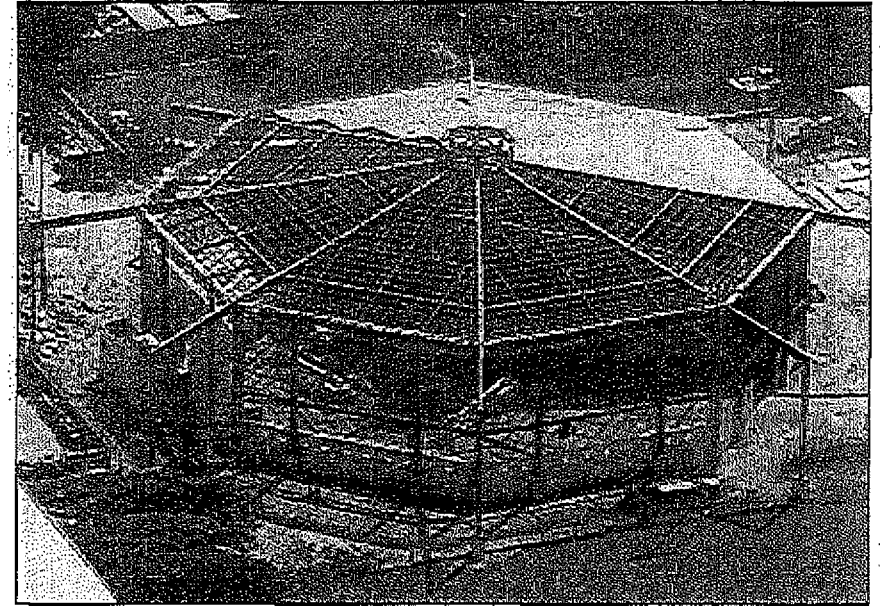
## Structures Projects

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### **Palacio de los Deportes Mayaguez**

- Owner: AFI
- Client: Venegas Construction Corp.
- Location: Mayaguez, PR
- Cost: \$ 1,600,000



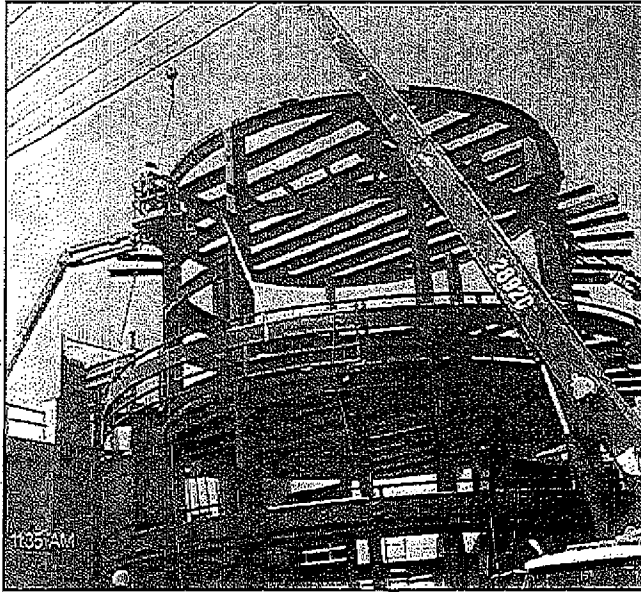
### **Mini Stadium for Little Leagues**

- Owner: Municipality of Toa Baja
- Client: Nex Corp.
- Location: Toa Baja, PR
- Cost: \$ 2,440,700



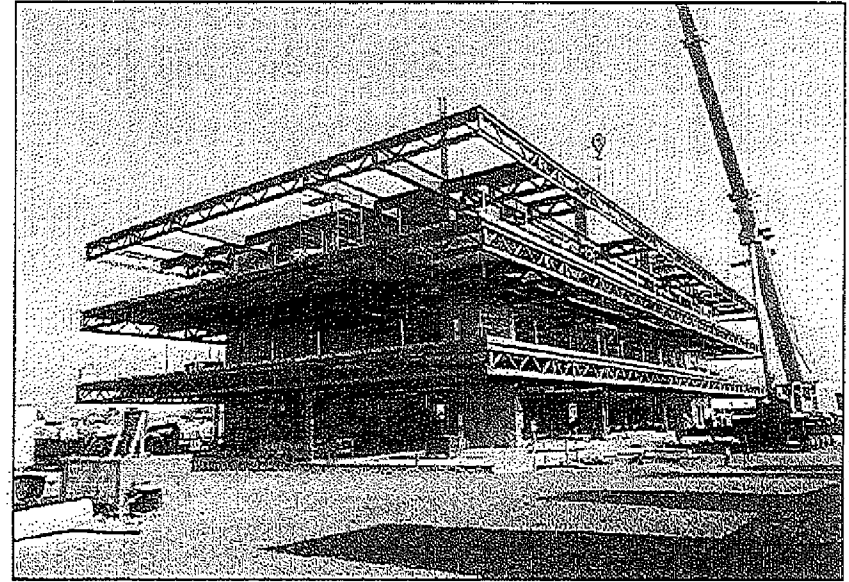


# Structures Projects



## Vega Baja Electronic Library

- Owner: Municipality of Vega Baja
- Client: CD Builders, Inc.
- Location: Vega Baja, PR
- Cost: \$ 1,306,000



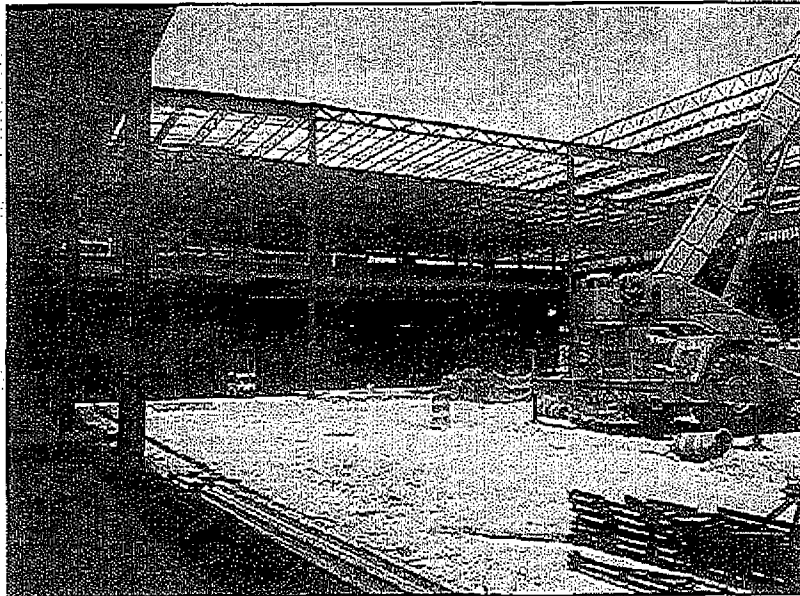
## Puma Administration Building

- Owner: Puma Caribe, Ltd.
- Location: Bayamón, PR
- Cost: \$3,032,000
- Year Completed: 2015



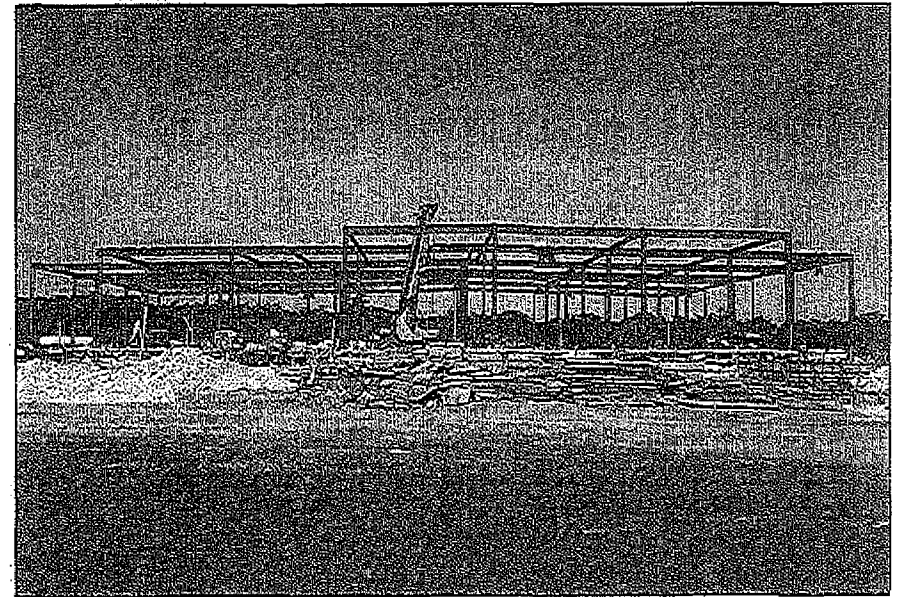
## Structures Projects

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### **Macy's Plaza del Caribe**

- Owner: Macy's
- Client: Venegas Construction Corp
- Location: Ponce, PR
- Cost: \$ 2,080,000
- Year Completed: 2015



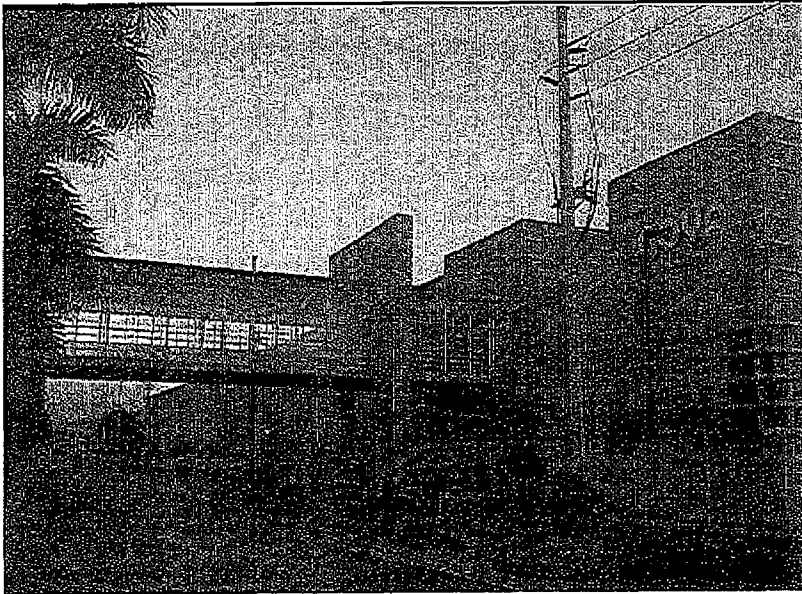
### **Honeywell Aerospace of PR**

- Client: Aireko Construction
- Location: Moca, PR
- Cost: \$1,092,000
- Year Completed: 2015



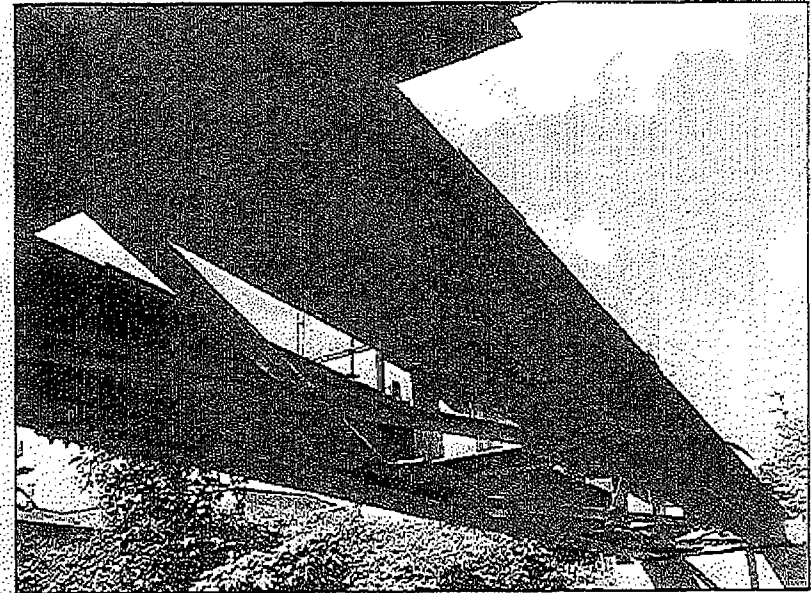
# Structures Projects

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## Goya New Warehouse Facilities

- Owner: Goya de Puerto Rico
- Client: Omega Engineering, SE
- Location: Bayamón, PR

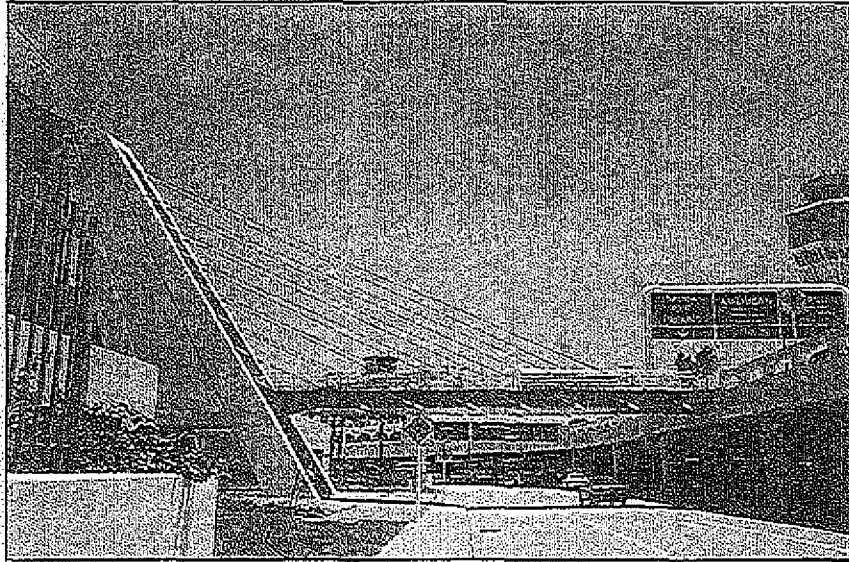


## Water Pipe Bridge

- Owner: PR Aqueduct and Sewer Authority
- Client: Longo de Puerto Rico, Inc.
- Location: Caguas, PR

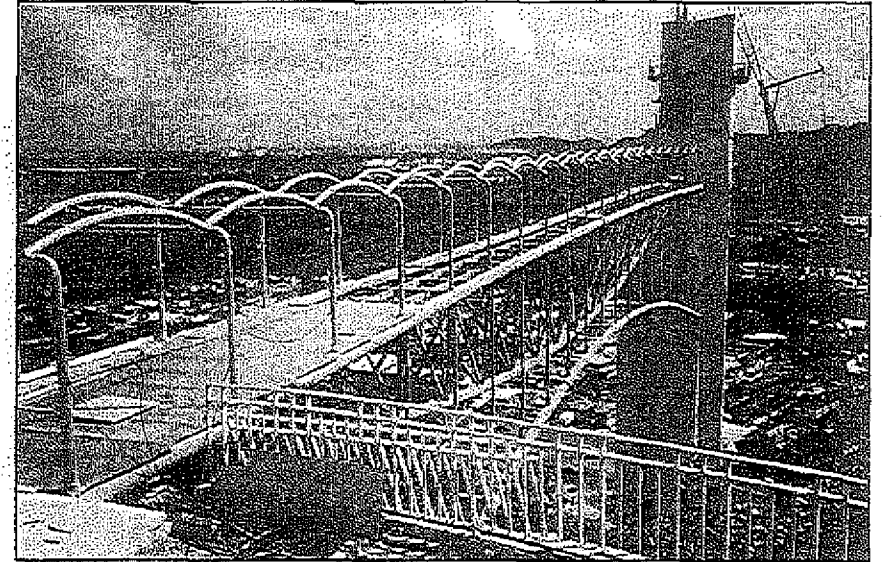


# Structures Projects



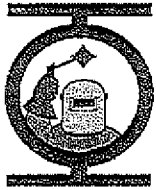
## Airport Pedestrian Hanging Bridge

- Owner: PR Ports Authority
- Client: QB Construction, SE
- Location: Carolina, PR

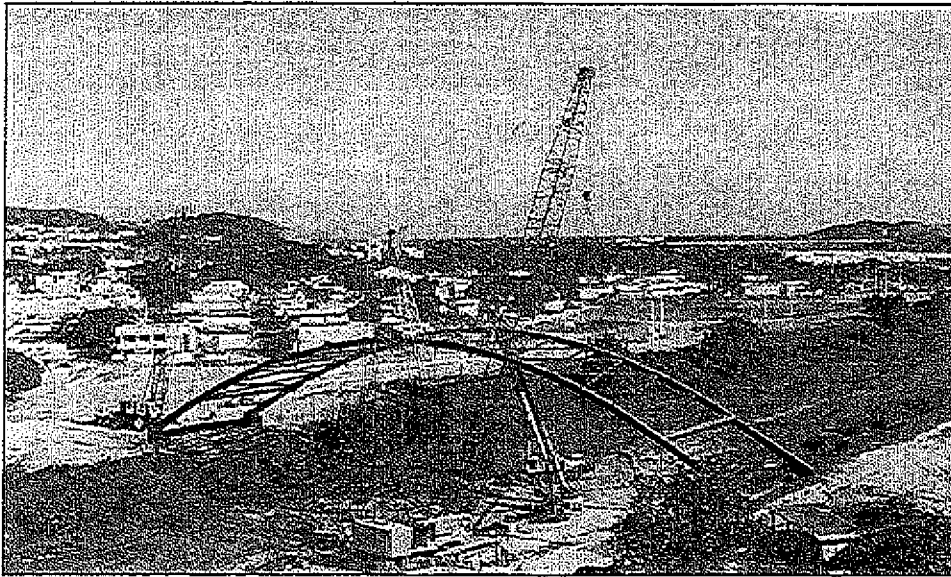


## Parque de las Ciencias Pedestrian Bridge

- Owner: Municipality of Bayamón
- Client: Aireko Construction
- Location: Bayamón, PR

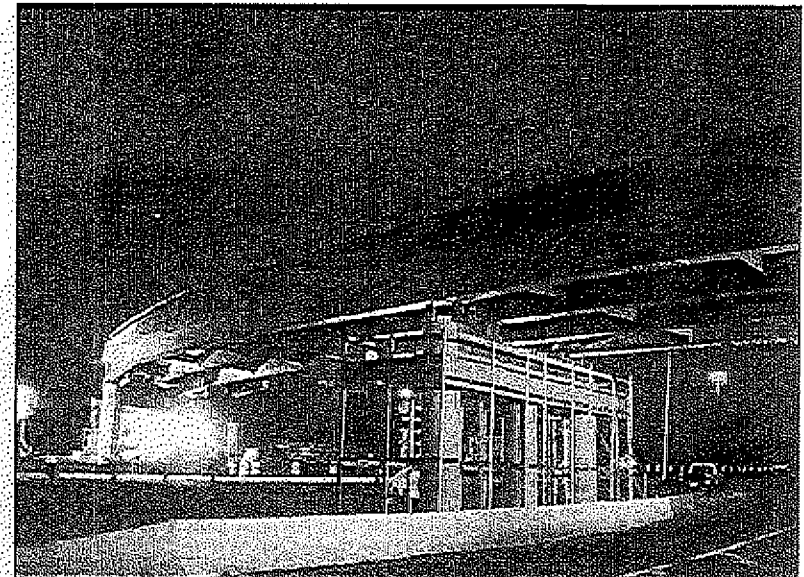


# Structures Projects



## La Patagonia Bridge

- Owner: Municipality of Humacao
- Client: Rio Construction
- Location: Humacao, PR



## PR-5 Ramp Rehabilitation

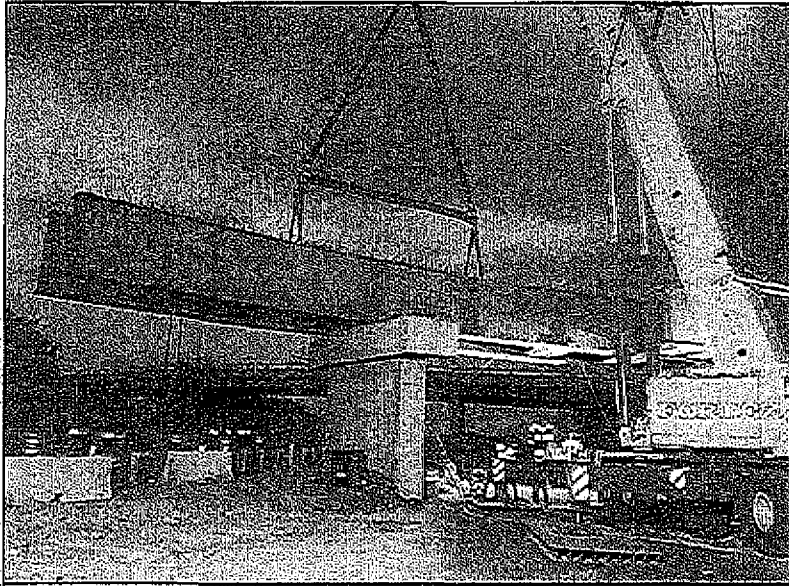
- Owner: PR Highway and Transportation Authority
- Client: Constructora Rodríguez-Sevilla
- Location: Bayamón, PR





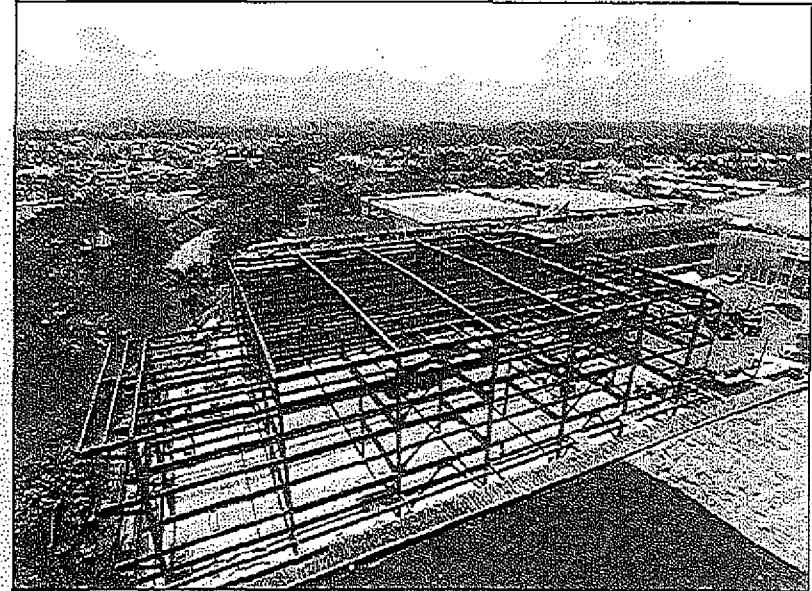
# Structures Projects

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## **Plate Girder Bridge Urban Metro Segment 4A1 (AC-223187)**

- Owner: PR Highway and Transportation Authority
- Client: Ferroval-Agroman, SA
- Location: Bayamon, PR
- Cost: \$2,875,000



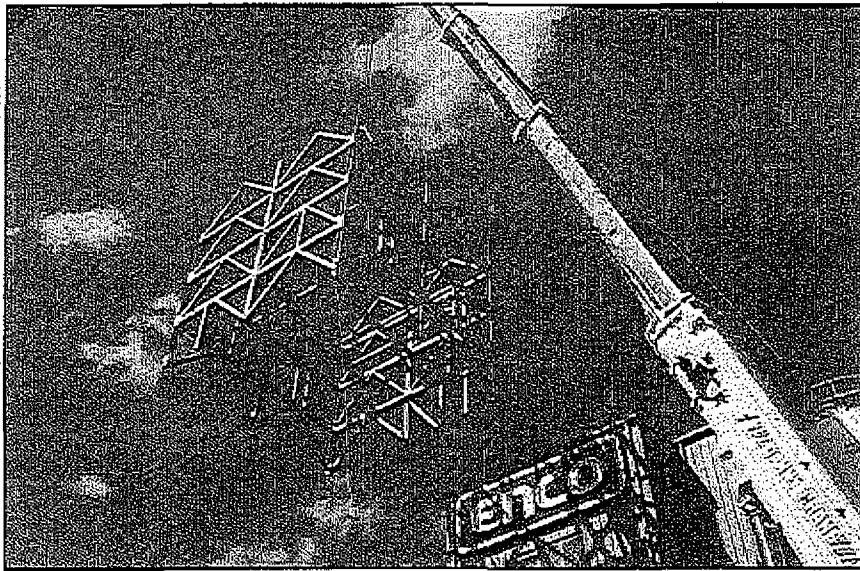
## **Amusement Facility and College Expansion**

- Owner: Levittown Baptist Academy
- Location: Toa Baja, PR
- 220 ton of steel and 41,000 sq. ft



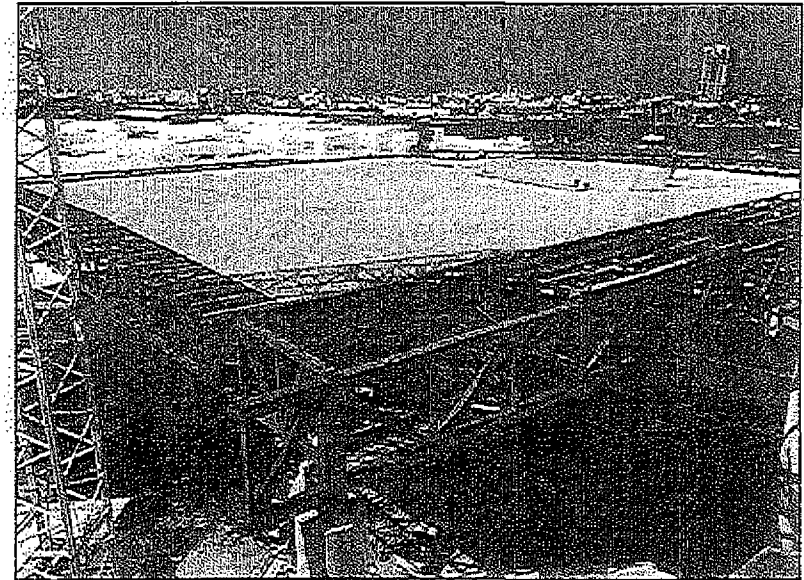
# Structures Projects

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## Sand Processing Plant

- Owner: Enco
- Location: Vega Alta, PR
- Year Completed: 2021

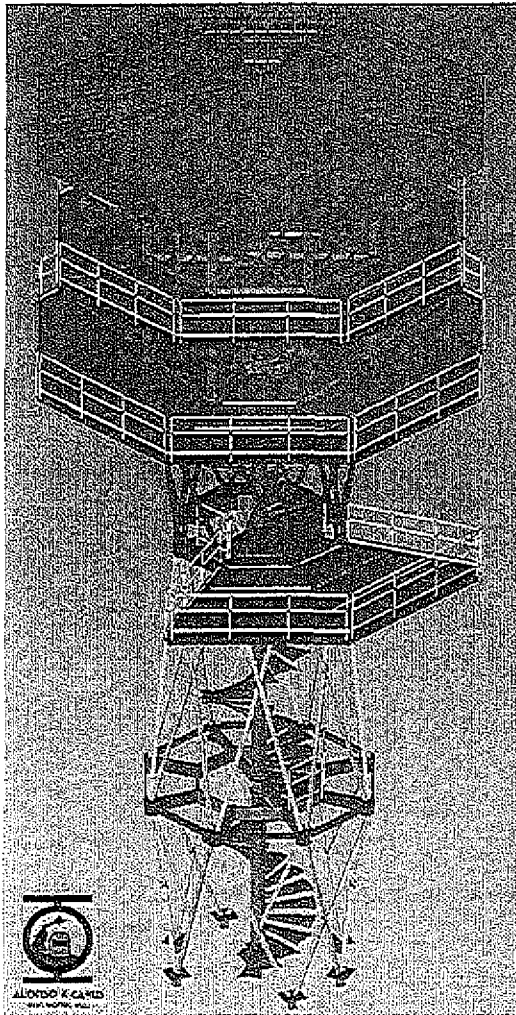


## Distrito T-Mobile

- Owner: PRISA Group
- Location: San Juan, PR
- Year Completed: 2020



# Structures Projects

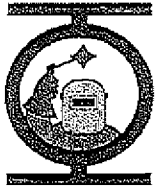


## Toro Bike Zip Line Tower

- Owner: Toroverde Puerto Rico
- Location: Orocovis, PR
- Year Completed: 2021

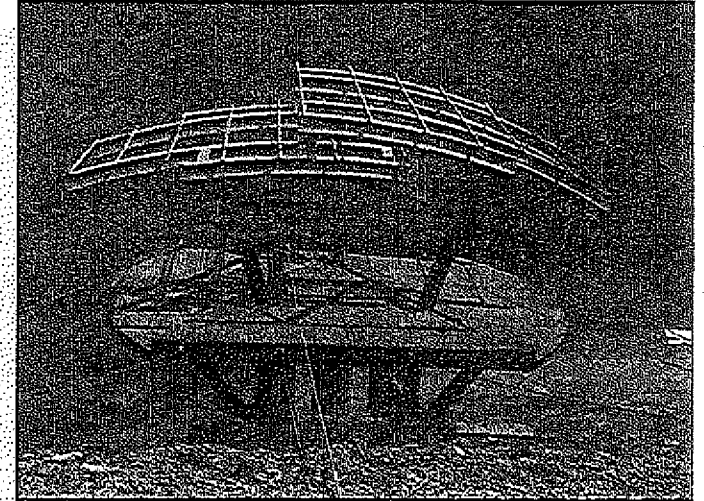
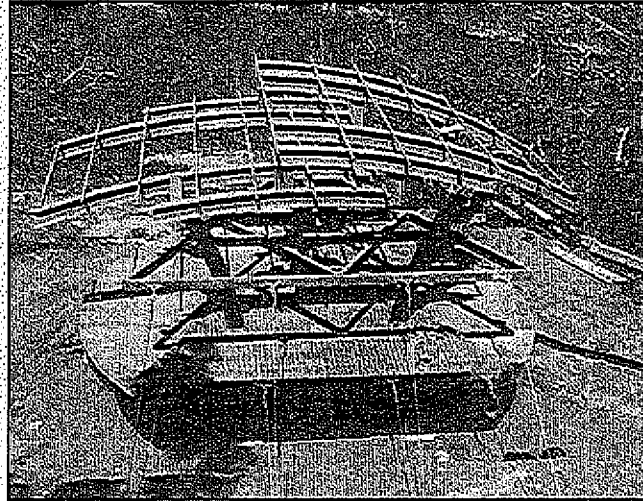
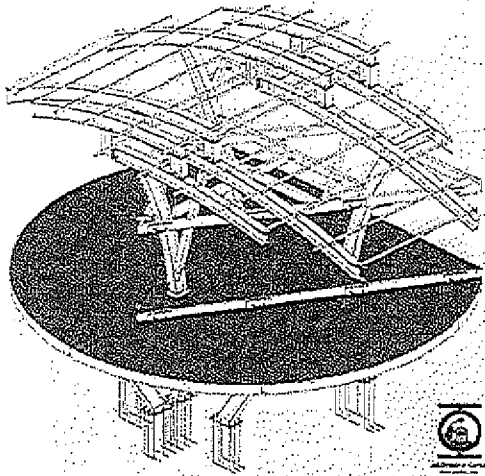






## Miscellaneous Projects

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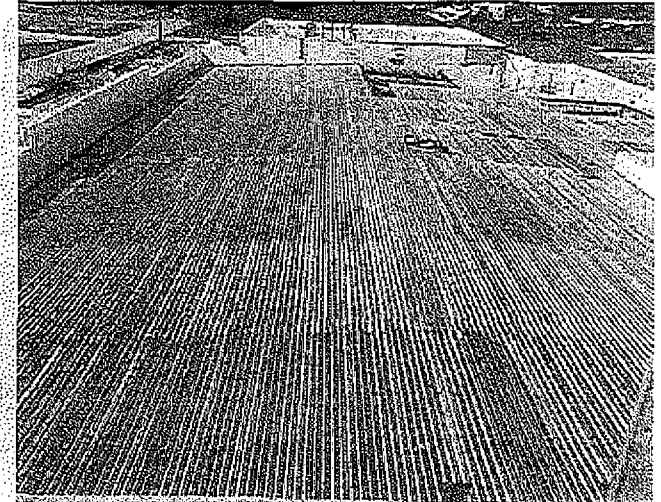
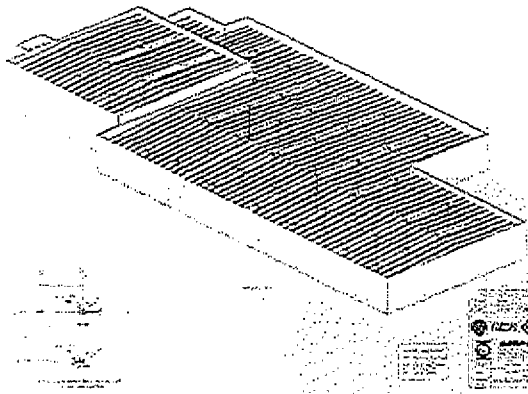
### Toro Bike

- Owner: Toroverde Puerto Rico
- Location: Orocovis, PR
- Year Completed: 2021



# Structures Projects

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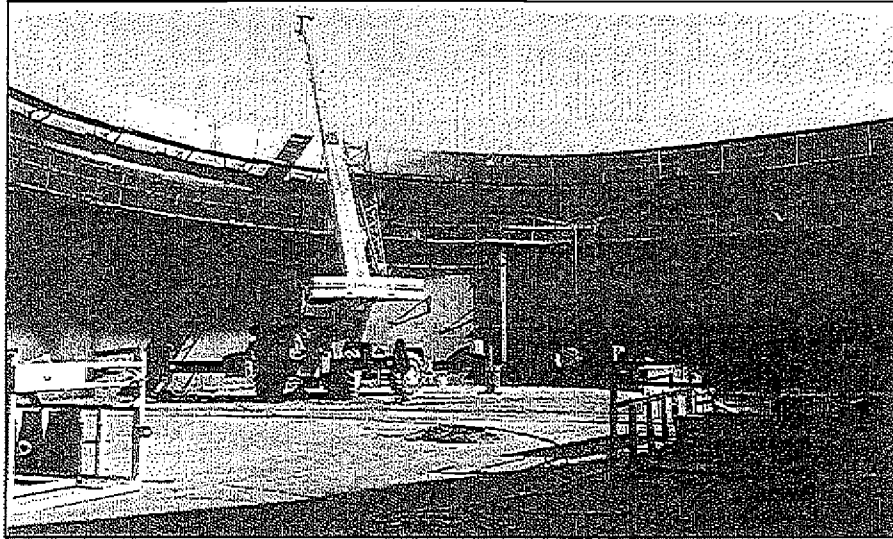


## **US Army Reserve Center Training Building**

- Client: Caribe General Constructors
- Owner: US Army / PRNG
- Location: Aguadilla, PR
- Year Completed: 2021

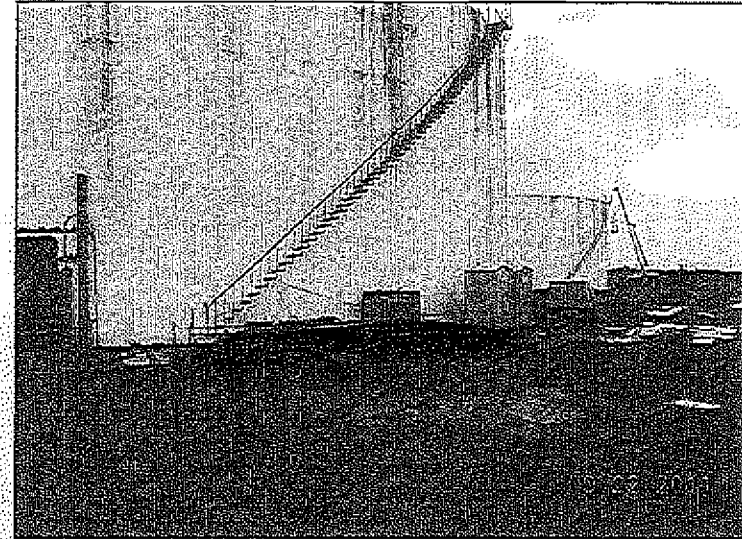


# Tank Projects



## Serrallés Molasses Tank

- 600,000 Gal. Molasses Tank, 94'-0" Diam. by 32'-0" High
- Cost: \$ 1,047,000
- Client: Destilería Serrallés, Inc.
- Location: Ponce, PR
- Year Completed: 2015



## Puma Tank Farm Rehabilitation

- Repair of the following tanks:
  - TK-101 (80,000 bbl)    ■ TK-103 (80,000 bbl)
  - TK-102 (80,000 bbl)    ■ TK-502 (55,000 bbl)
- Client: Puma Energy Caribe Ltd.
- Cost: \$ 4,900,000
- Year Completed: 2014

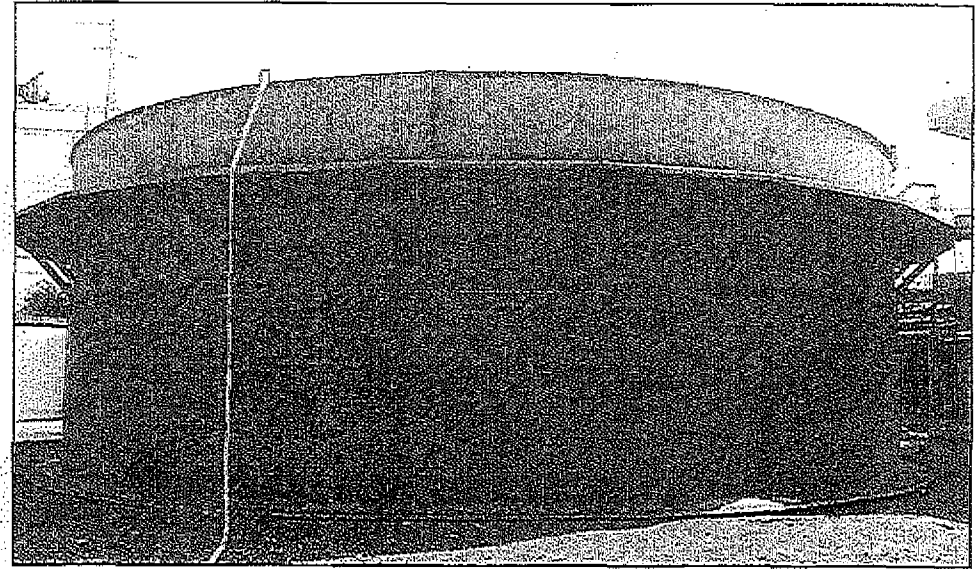


# Tank Projects



## US Navy Jet Fuel Tanks

- Five 5,000,000 Gal. Jet Fuel Tanks  
125'-0" Diam. by 48'-0" High
- Client: US Navy
- Location: Ceiba, PR
- Cost: \$9,500,000
- Year Completed: 1985

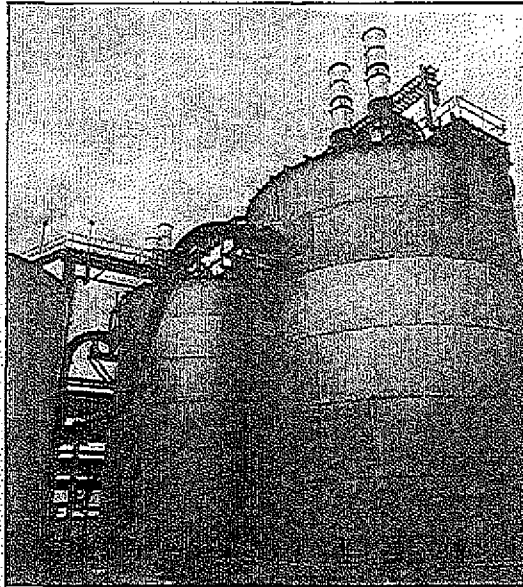


## PREPA Retention Tank No. 3

- 50'-0" Diam. by 16'-0" High
- Client: PREPA
- Location: San Juan Thermoelectric  
Plant
- Cost: \$ 870,000
- Year Completed: 2016



# Tank Projects



### Lime Boil Tanks

- Two 500,000 Gal. Duplex Stainless Steel Tanks 59'-0" Diam. by 52'-0" High
- Client: Barrick Gold
- Location: Pueblo Viejo, Dominican Republic
- Cost: \$ 3,500,000
- Year Completed: 2016



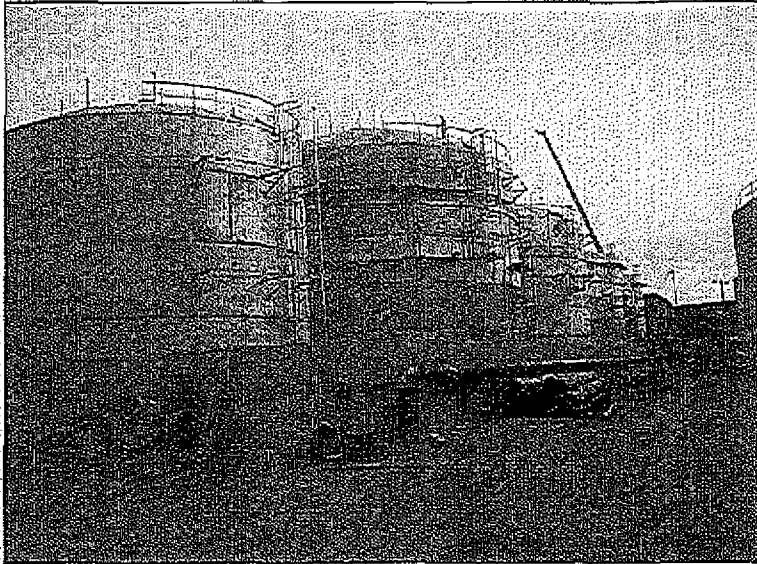
### PREPA Effluents Tank

- 300,000 Gal. Effluents Tank
- Client: PREPA
- Location: San Juan Thermoelectric Plant
- Cost: \$ 1,400,000
- Year Completed: 2016



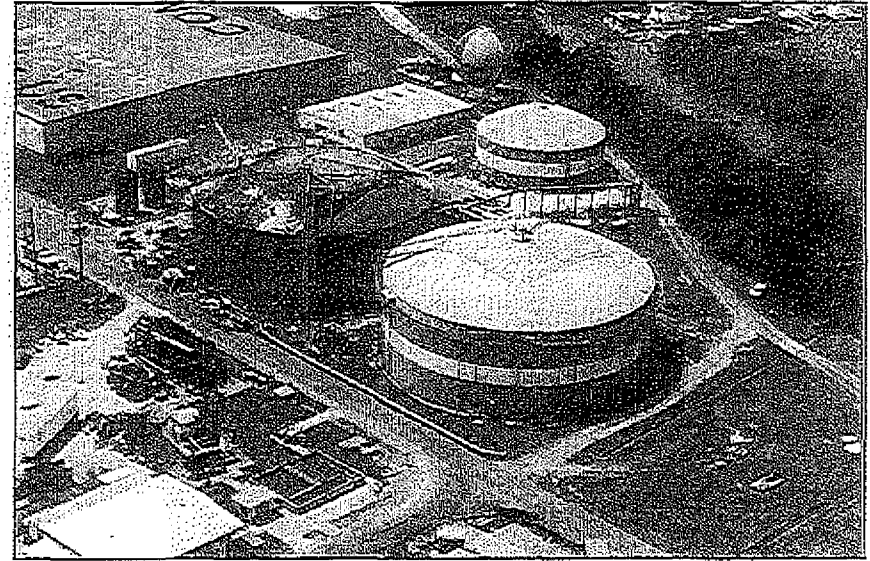


# Tank Projects



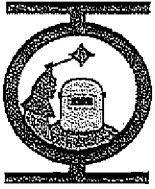
## Bacardi Operations Port

- Ten Stainless Steel Tanks:
  - (4) 800,000 Gal. ■ (1) 275,000 Gal.
  - (1) 700,000 Gal. ■ (4) 100,000 Gal.
- Client: Bacardi Corp.
- Cost: \$ 6,200,000
- Year Completed: 2007



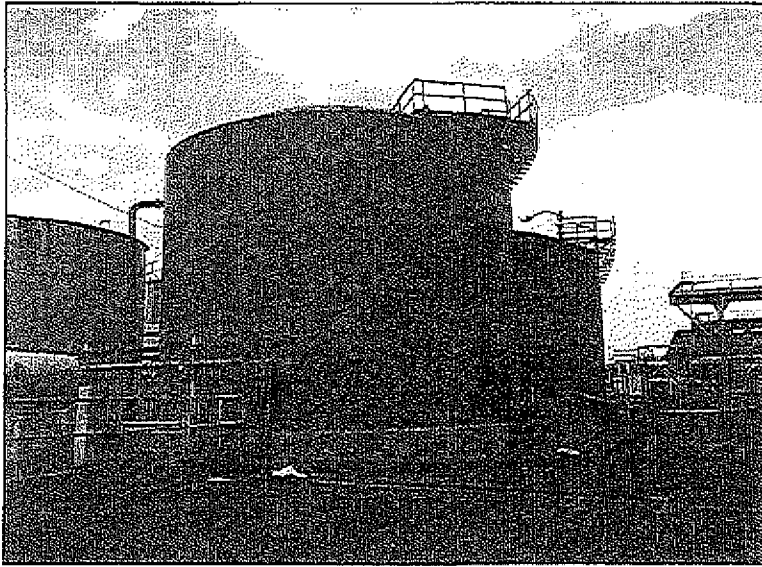
## Anaerobic Digester Tanks

- Three 3,000,000 Gals.
- Client: Bacardi Corp.
- Location: Cataño, PR
- Cost: \$ 8,000,000
- Year Completed: 2002



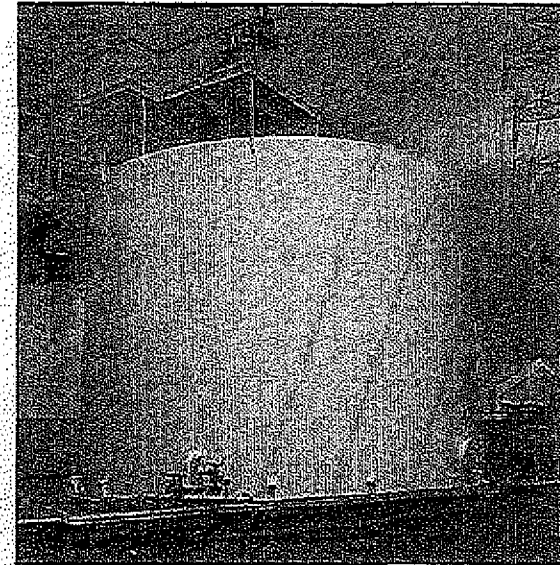
# Tank Projects

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## PREPA Condensate Water Tank

- 170,000 Gal. Tank No. 10
- Client: PREPA
- Location: San Juan Thermoelectric Plant
- Cost: \$ 403,500
- Year Completed: 2009



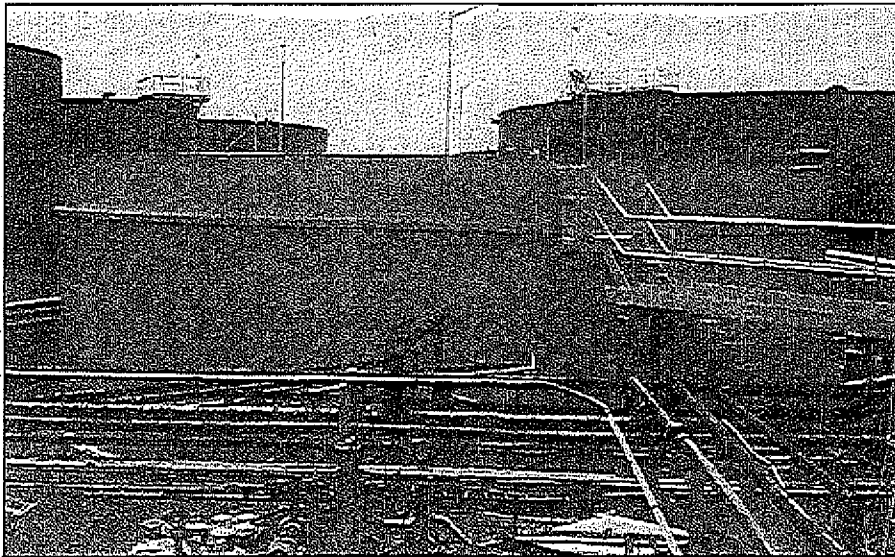
## PREPA Raw Water Tank

- 170,000 Gal. Raw Water Tank No. 2
- Client: PREPA
- Location: San Juan Thermoelectric Plant
- Cost: \$ 313,000
- Year Completed: 2010



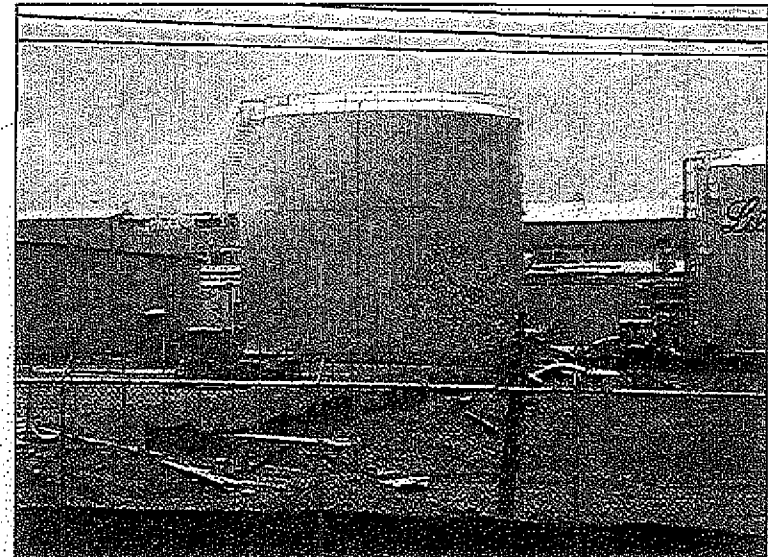
# Tank Projects

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## PREPA Retention Tank No.1

- 200,000 Gal. Retention Tank
- Client: PREPA
- Location: Palo Seco Thermoelectric Plant
- Cost: \$ 491,500
- Year Completed: 2009



## Lilly Fire Water Tank

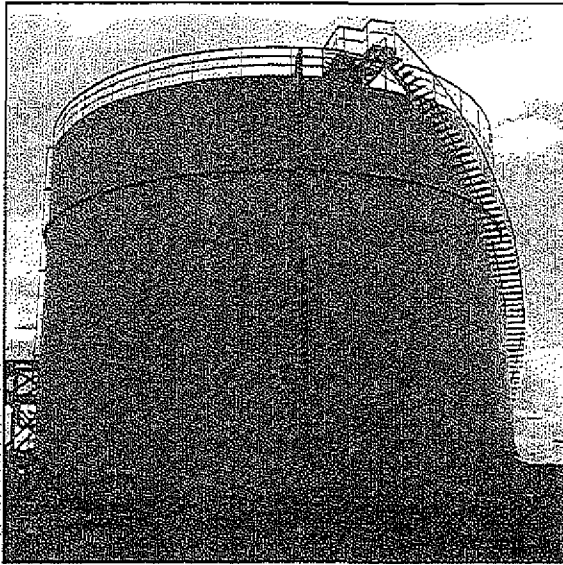
- 500,000 Gal. Fire Water Tank
- Client: Lilly del Caribe
- Location: Guayama, PR
- Cost: \$ 542,000
- Year Completed: 2006





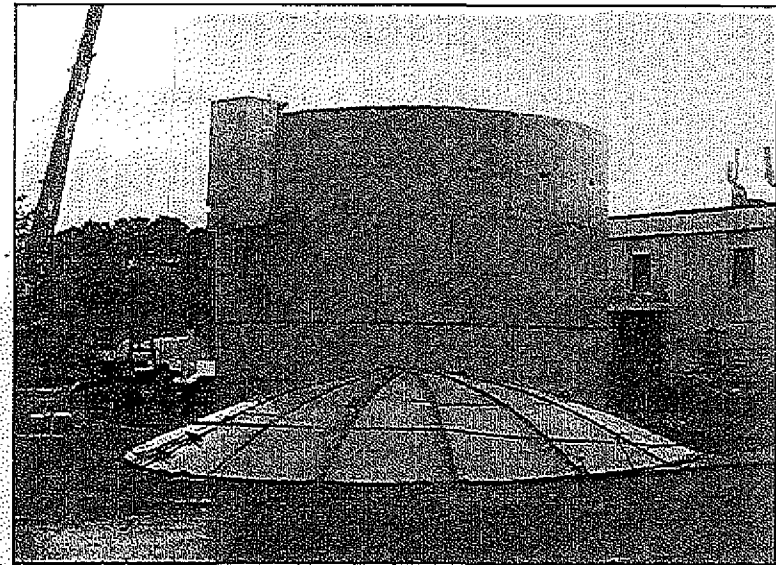
# Tank Projects

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## Amgen Water Tank

- 1,000,000 Gal. Water Tank
- Owner: Amgen, Mfg., Ltd.
- Client: Fluor Daniel Caribbean, Inc.
- Location: Juncos, PR
- Cost: \$ 1,070,400



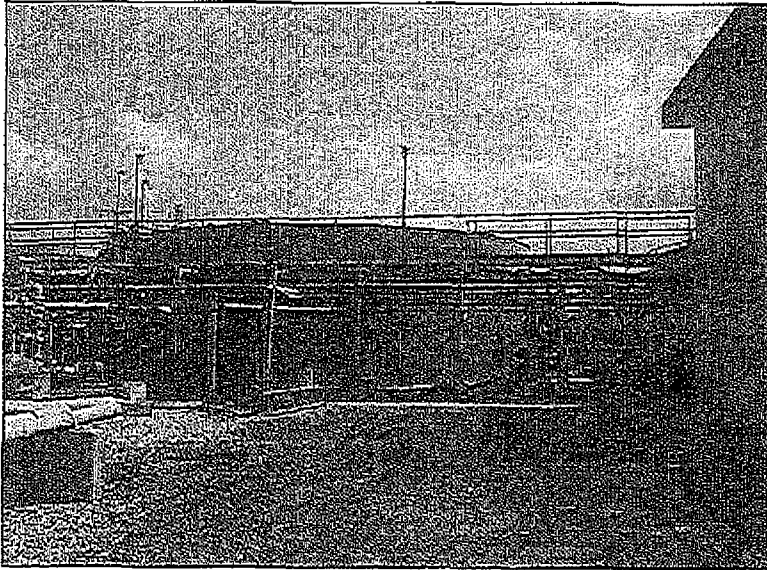
## J&J Water Tank

- 125,000 Gal. Water Tank
- Owner: Johnson & Johnson, Ltd.
- Client: Fluor Daniel Caribbean, Inc.
- Location: Gurabo, PR
- Cost: \$ 175,000



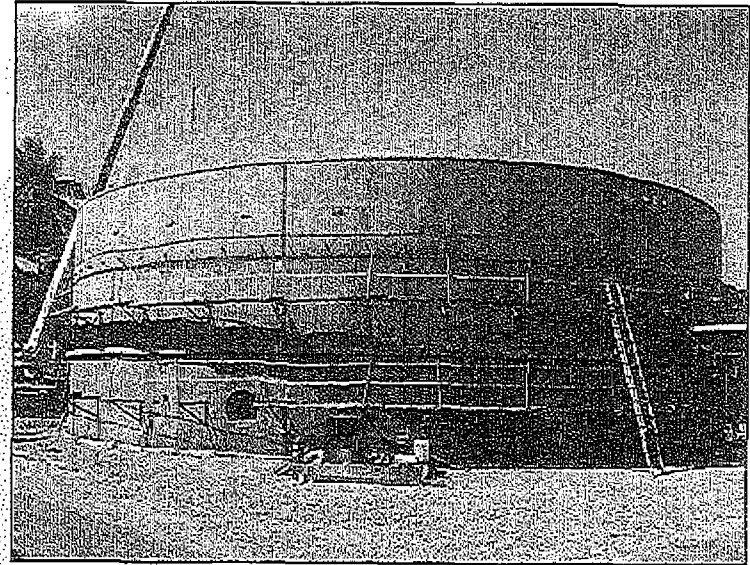
# Tank Projects

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## PREPA Retention Tank No. 2

- 225,000 Gal. Retention Tank
- Owner: PREPA
- Location: San Juan, PR
- Cost: \$ 760,000
- Year Completed: 2010



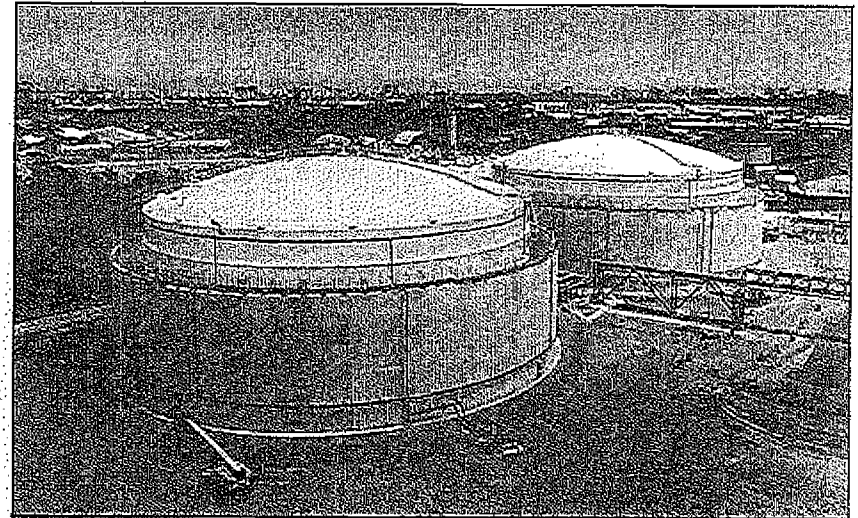
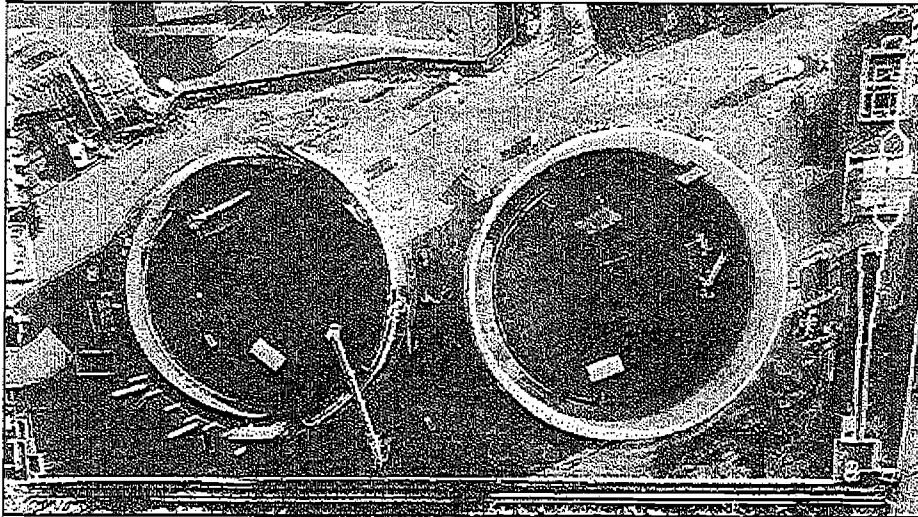
## Bacardi Holding Tanks

- 750,000 Gal. Tank
- Owner: Bacardi Corp.
- Location: Cataño, PR
- Cost: \$900,500.00
- Year Completed: 2014



## Tanks Projects

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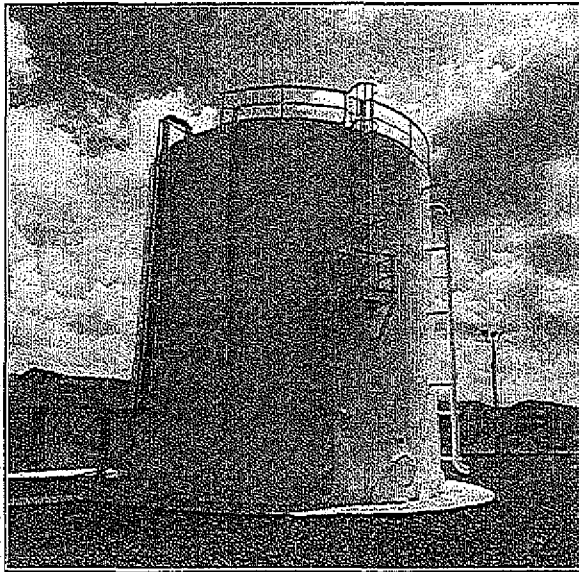


### **6,300,000 Gal. Gasoline Storage Tank**

- Two (2) 6,300,000 gallons (150,000 bbl.) Steel Tanks
- 145'-0" diam. by 56'-0"
- Self Supported Dome Roof, API 650, Internal Floating Cover (IFC)
- Owner: Total Petroleum Puerto Rico
- Location: Guaynabo, PR
- Year Completed: 2019

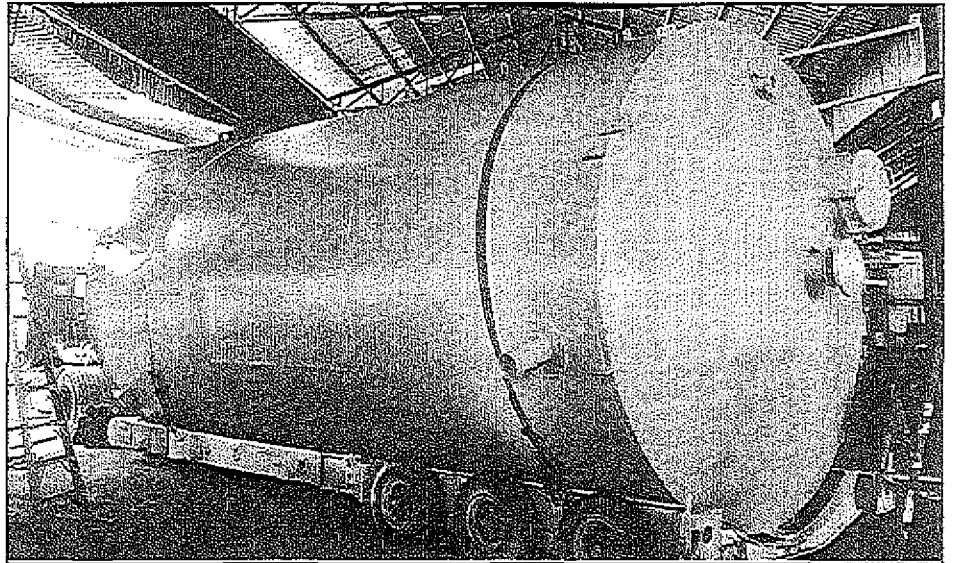


# TanksProjects



## Crowley Gas Terminal

- 200,000 Gal. Fire Water Storage Tank
- Owner: Crowley
- Location: Guayanilla, PR
- 33'-0" diam. By 34'-0" high
- AWWA D100-11, NFPA-22
- Year Completed: 2021

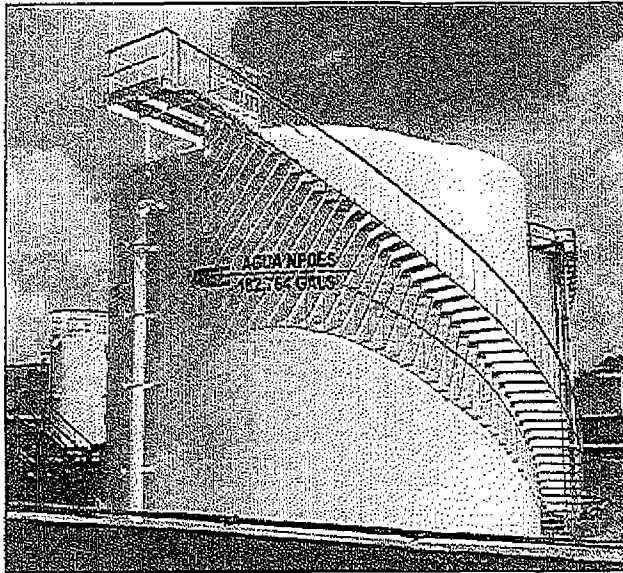


## Medtronic Potable Water Tank

- 20,000 Gal. Potable Water Storage Tank
- Owner: Medtronic.
- Location: Ponce, PR
- AWWA D100-11
- Year Completed: 2021

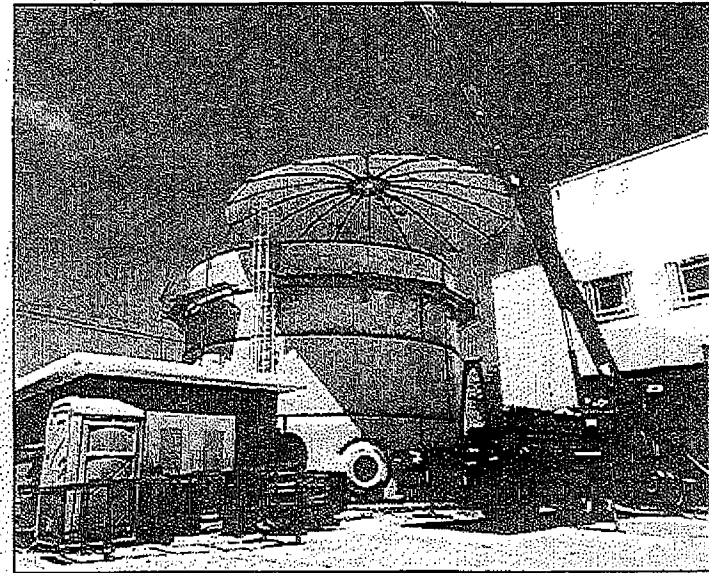


# Tank Projects



**PREPA Palo Seco**

- 180,000 Gal. NPDES Water Storage Tank
- Owner: AEE
- Location: Palo Seco Power Plant
- Year Completed: 2021



**ML Restaurants FW Tank**

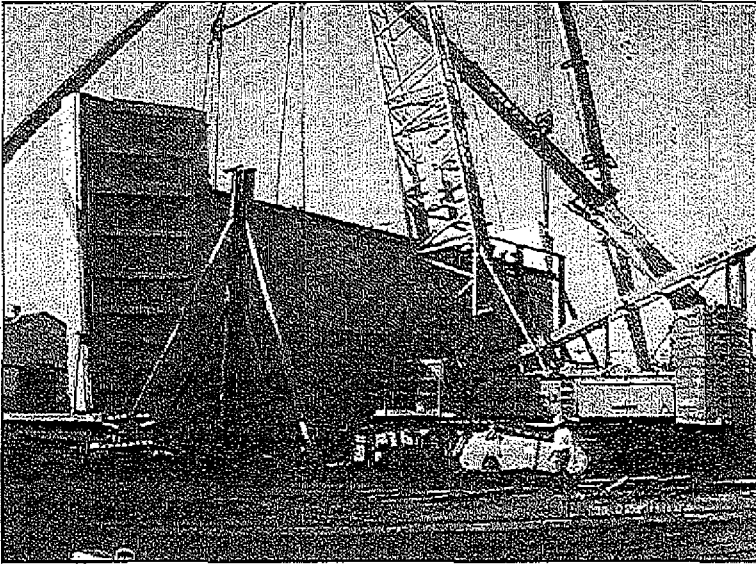
- 150,000 Gal. Fire Water Storage Tank
- Owner: ML Restaurants
- Location: Catano, PR
- Year Completed: 2021





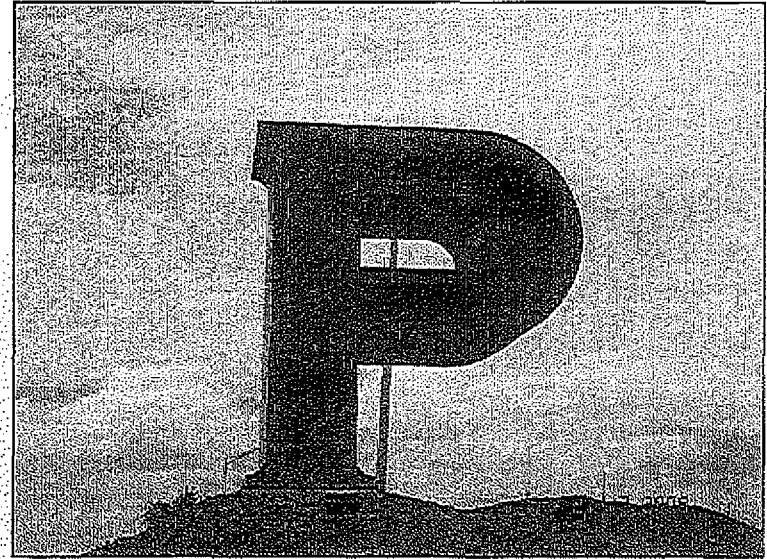
## Miscellaneous Projects

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### **Dry Dock Floating Gate**

- Owner: PR Ports Authority
- Client: PRPA
- Location: San Juan, PR
- Cost: \$ 4,076,689

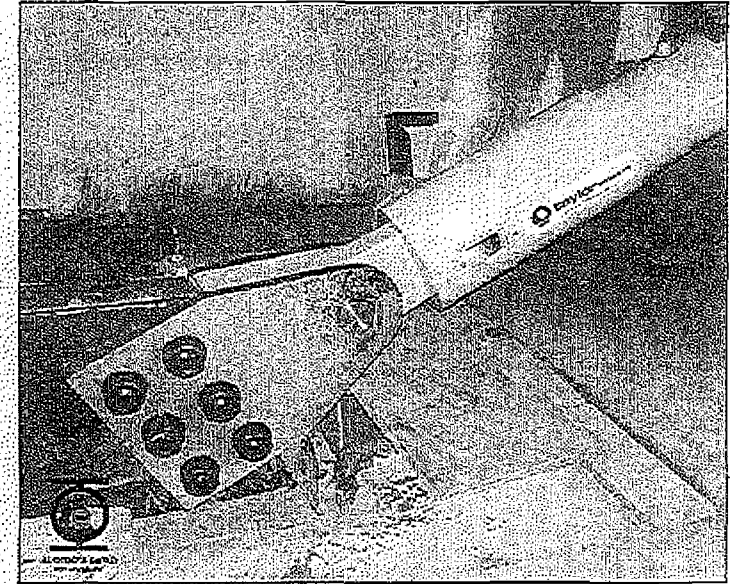
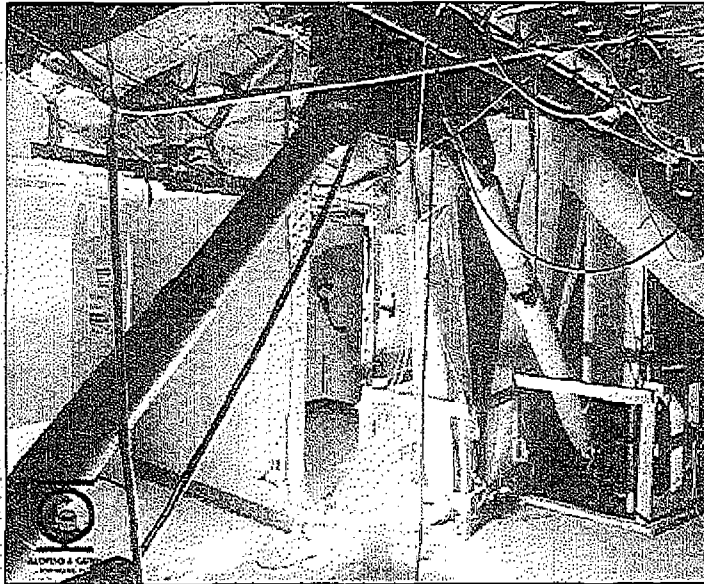
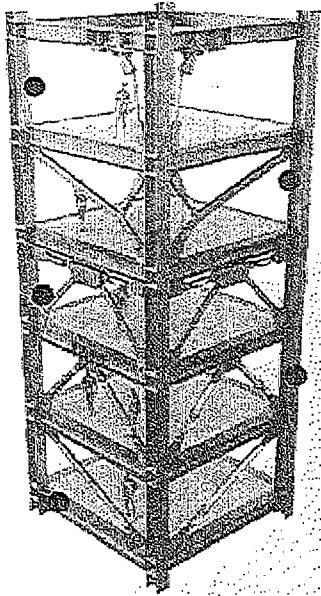


### **Ponce Public Art**

- Owner: Urban Directorate, PRDOT
- Client: Carlos A. Villafañe, AIA
- Location: Ponce, PR
- Cost: \$ 250,000



## Miscellaneous Projects



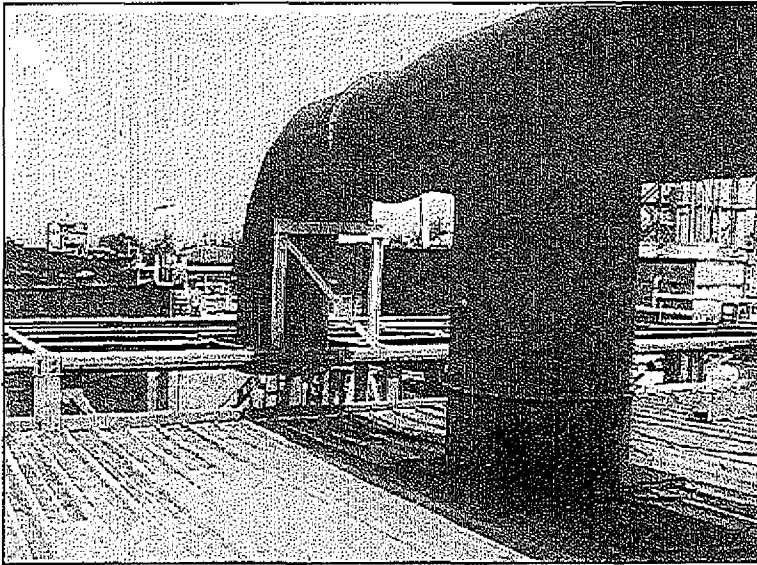
### Walsh Construction

- Project: Seismic Retrofit
- Owner: VA Caribbean Healthcare System
- Location: San Juan, PR



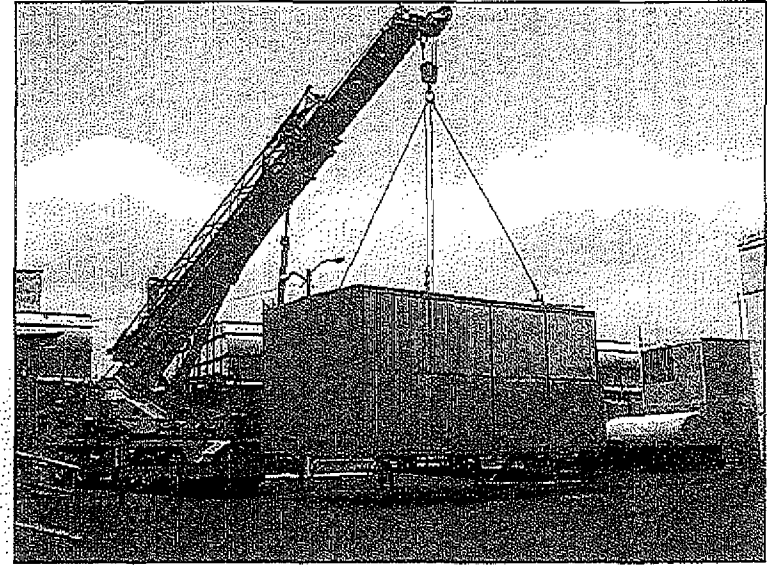
## Miscellaneous Projects

---



### Boiler Exhaust Duct

- Owner: Bacardi Corp.
- Location: Cataño, PR
- Cost: \$169,500



### Air Inlet House

- Owner: PR Electric Power Authority
- Location: Toa Baja, PR
- Cost: \$ 150,000



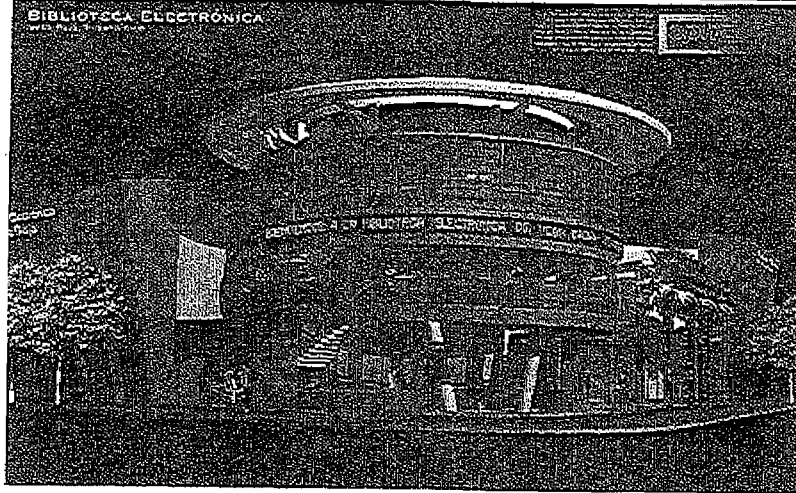


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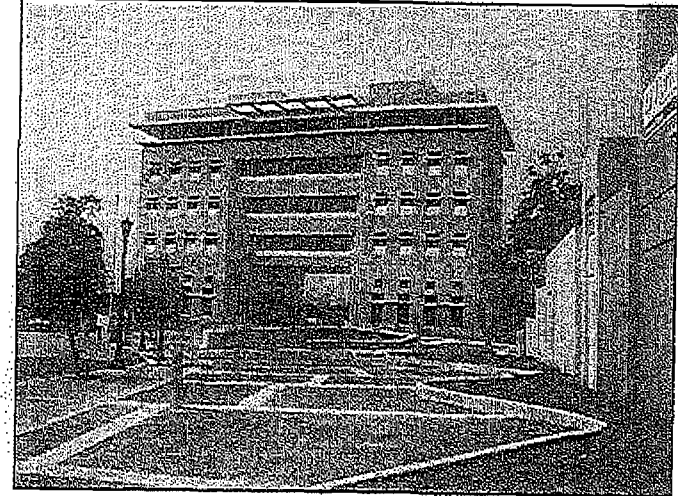
# CONSTRUCTION SERVICES



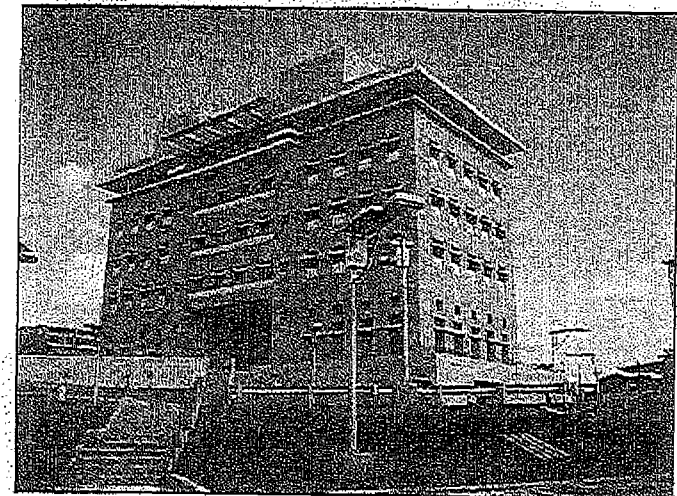
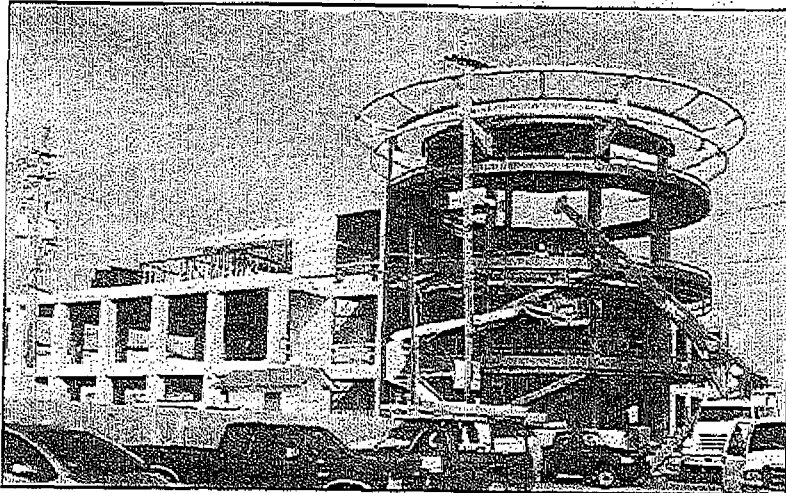
# Construction Services Projects



Electronic Library, Vega Baja

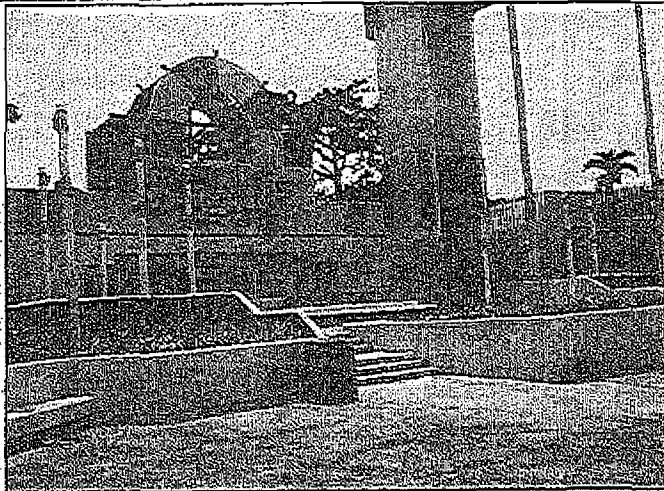


Government Center, Caguas

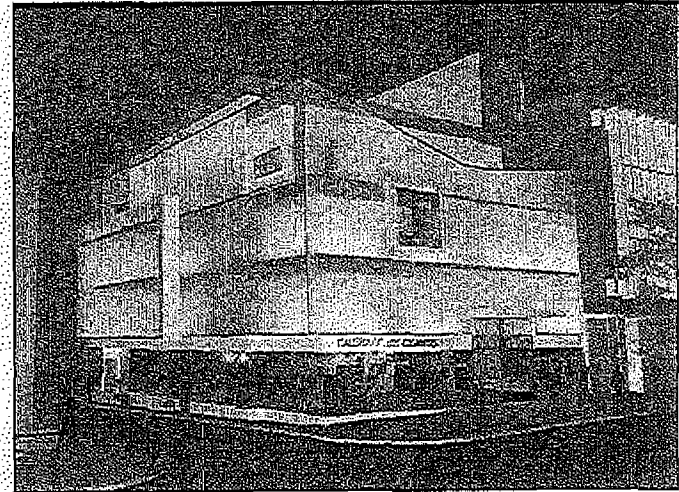
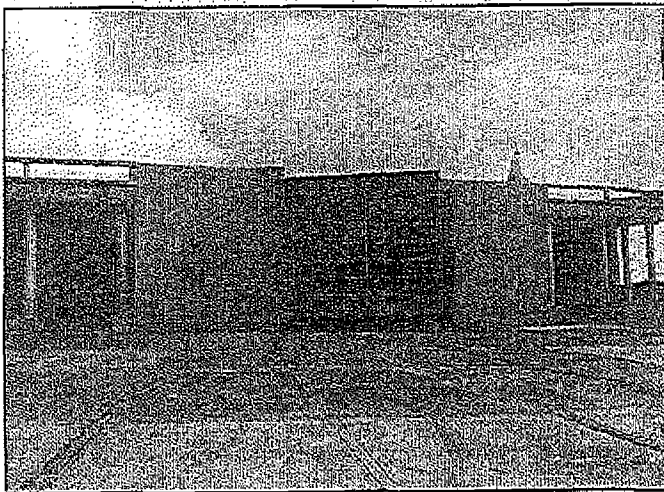




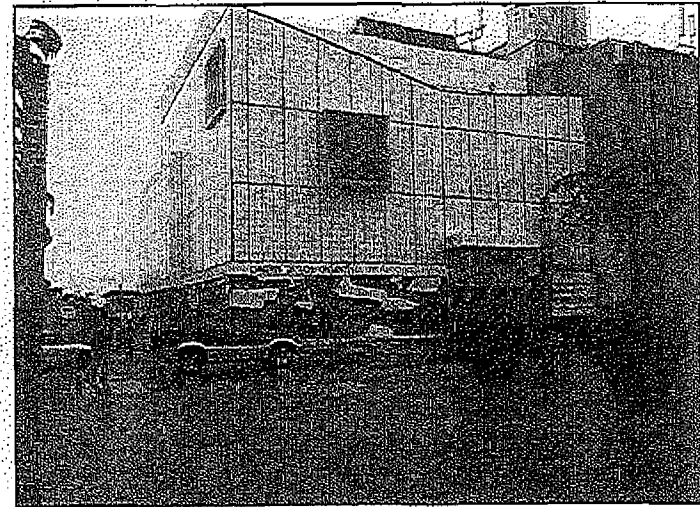
## Construction Services Projects



Parque de las Ciencias, Bayamón



Galería de los Gigantes, Carolina

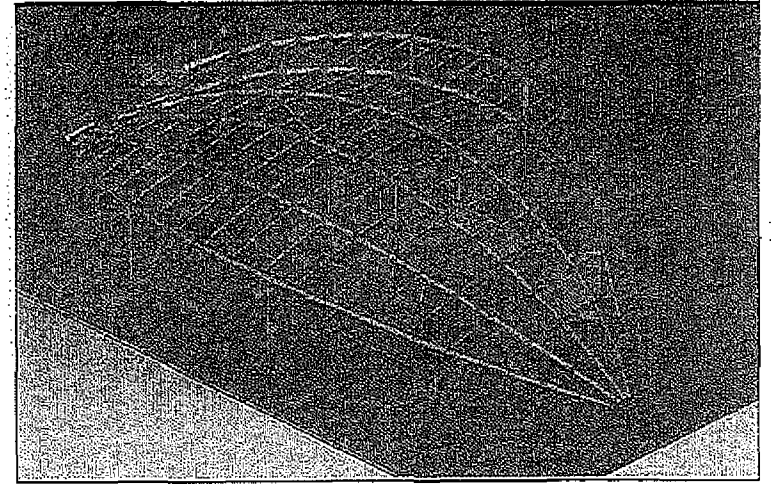




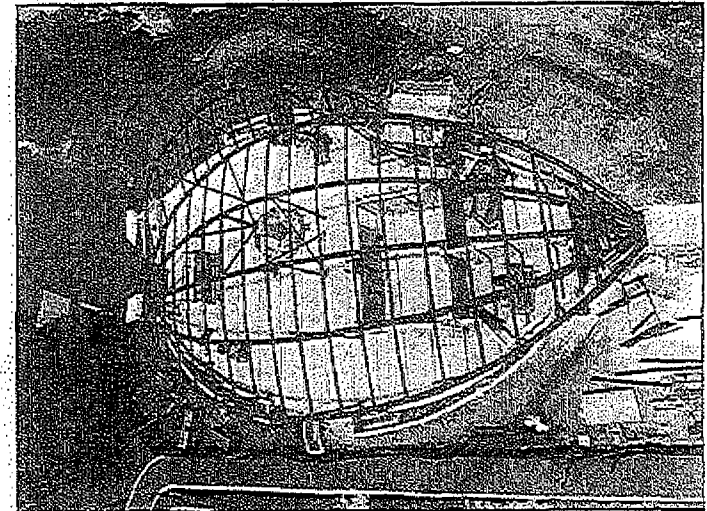
## Construction Services Projects



Eco Golden Suites, San Lorenzo



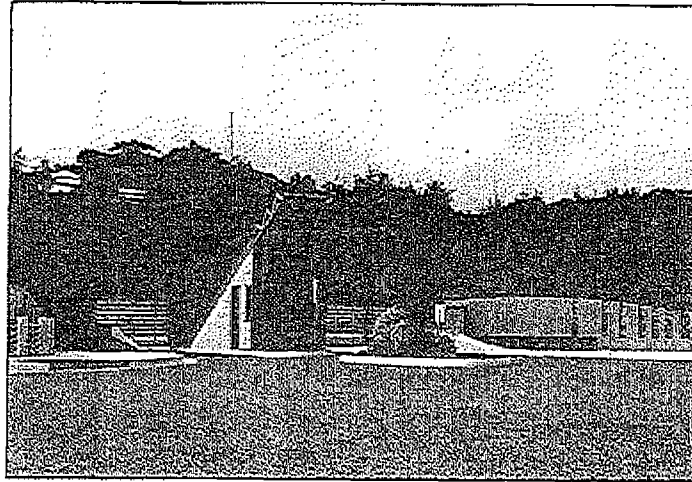
Toro Verde Adventure Park, Orocovis



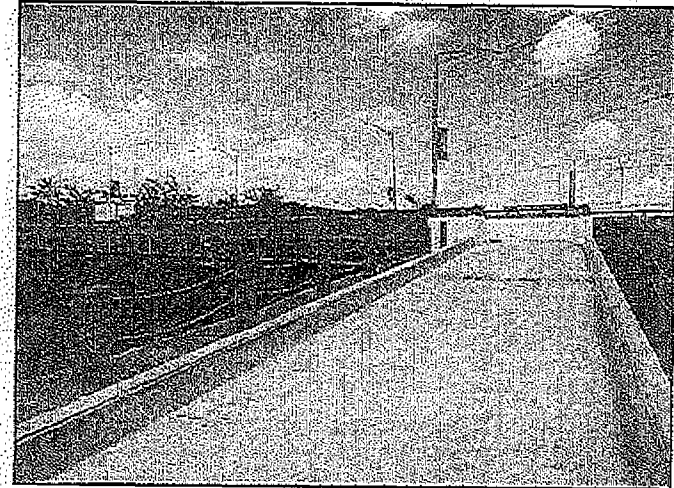




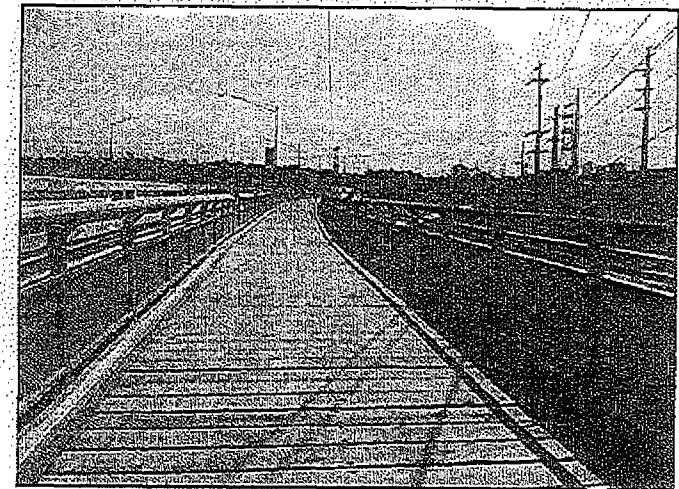
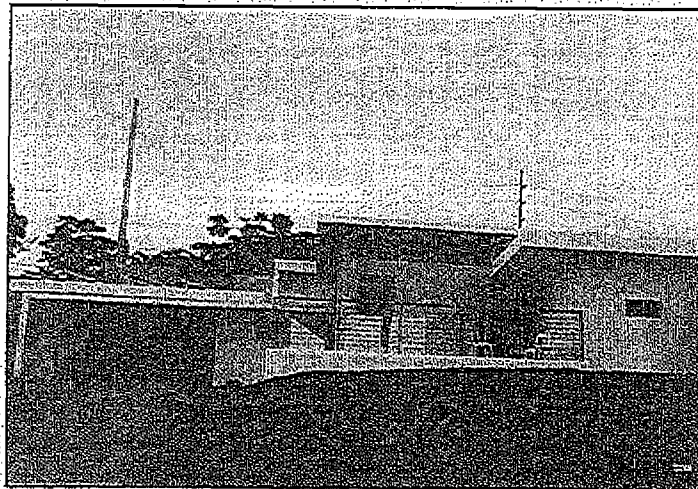
# Construction Services Projects

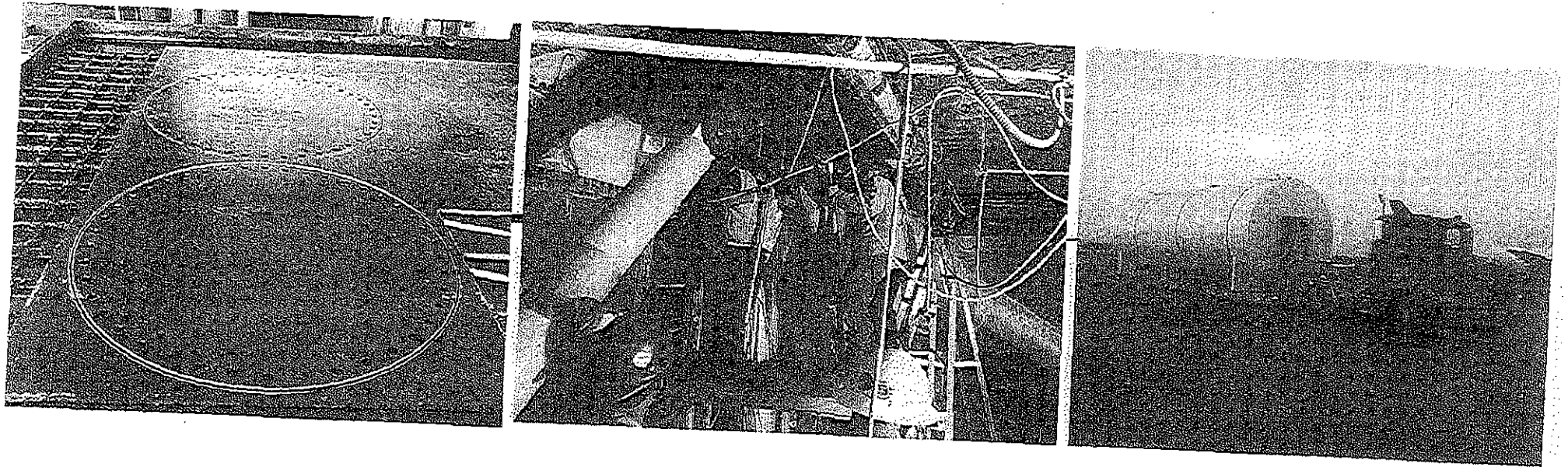


Reales de Beatriz, Cidra



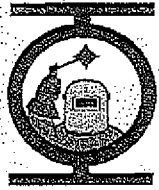
Golf Cart Bridge, Bayamón





¿PREGUNTAS?





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# Clients/References

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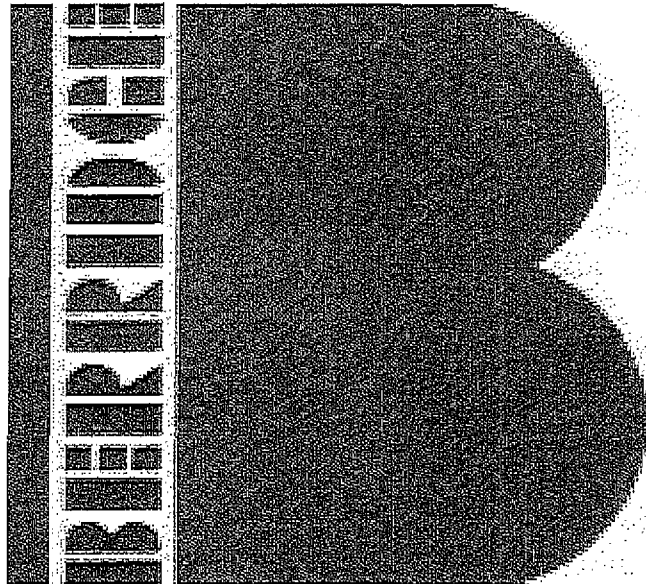
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| <input type="checkbox"/> Amgen Mfg., Ltd.                      | <input type="checkbox"/> McNeil Pharmaceuticals                |
| <input type="checkbox"/> AES Puerto Rico, LP                   | <input type="checkbox"/> Merck Sharp & Dohme                   |
| <input type="checkbox"/> Bacardi Corp.                         | <input type="checkbox"/> Northshore Management Corp.           |
| <input type="checkbox"/> Bates Engineers                       | <input type="checkbox"/> Oil Energy Systems                    |
| <input type="checkbox"/> Bermudez & Longo, SE                  | <input type="checkbox"/> Pegasus Group, Inc.                   |
| <input type="checkbox"/> Bristol-Myers Squibb                  | <input type="checkbox"/> Puma Energy Caribe, LLC               |
| <input type="checkbox"/> Caribbean Project Management          | <input type="checkbox"/> Pfizer, Inc.                          |
| <input type="checkbox"/> Caribe General Constructors, Inc.     | <input type="checkbox"/> Procter & Gamble Pharmaceuticals      |
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| <input type="checkbox"/> CooperVision Caribbean Corp.          | <input type="checkbox"/> PR Electric & Power Authority         |
| <input type="checkbox"/> Del Valle Group                       | <input type="checkbox"/> PR Highway & Transportation Authority |
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| <input type="checkbox"/> Lord Electric Co. of Puerto Rico      | <input type="checkbox"/> QB Construction, SE                   |
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| <input type="checkbox"/> Fluor                                 | <input type="checkbox"/> Skanska USA Building                  |
| <input type="checkbox"/> GlaxoSmithKline                       | <input type="checkbox"/> Torcon, Inc.                          |
| <input type="checkbox"/> Guidant Mfg.                          | <input type="checkbox"/> Total Petroleum PR Corp.              |
| <input type="checkbox"/> Haskell                               | <input type="checkbox"/> Ultra-Pure Systems, Inc.              |
| <input type="checkbox"/> Hospital Damas, Inc.                  | <input type="checkbox"/> US Department of Veteran Affairs      |
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| <input type="checkbox"/> Las Piedras Construction, Inc.        | <input type="checkbox"/> Yonkers Industries                    |
| <input type="checkbox"/> Lilly del Caribe                      | <input type="checkbox"/> Zachary International                 |
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# BERRIDGE TOTAL PROGRAM

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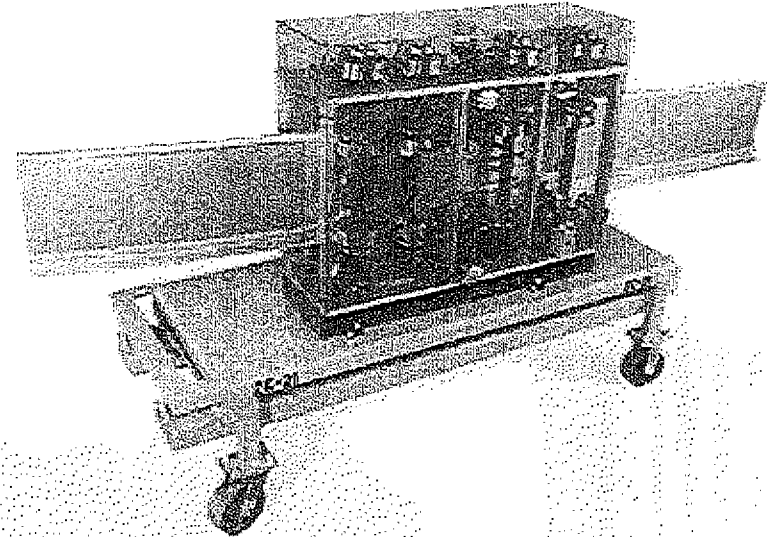




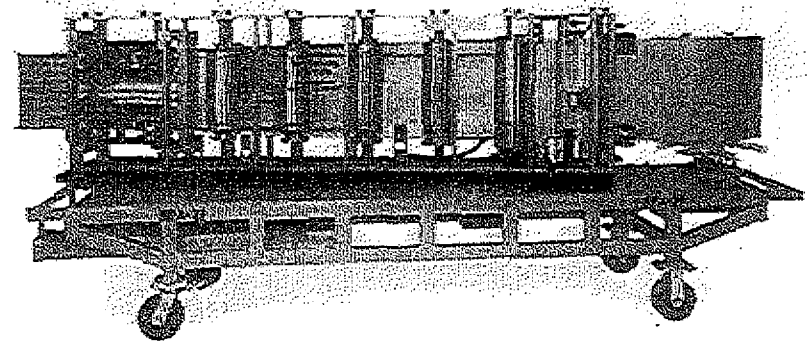
# Berridge Manufacturing Licensee

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- ❑ High-quality innovative architectural metal roof panels.
- ❑ Exclusive on-site fabrication technology
- ❑ Fully supported by Product Material, Finish and Watertightness Warranty Service from Berridge Manufacturing Co.



Berridge ZC-21 Zee-Lock Curver

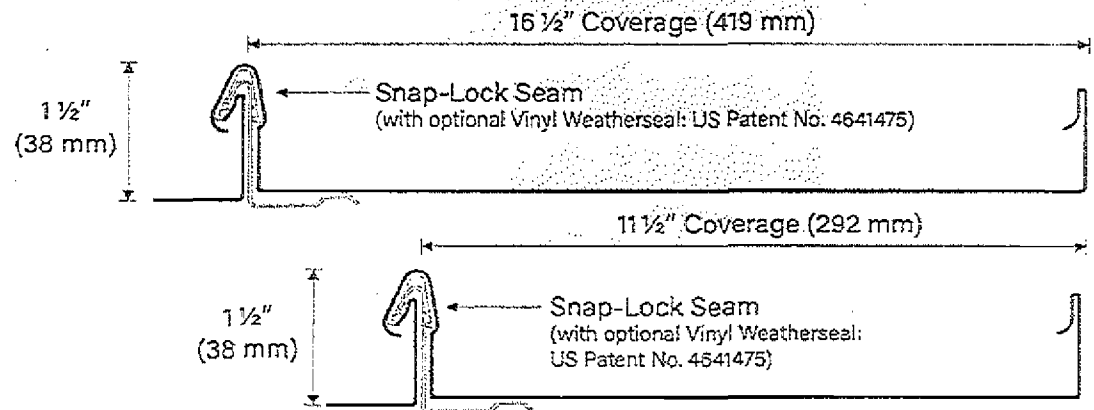
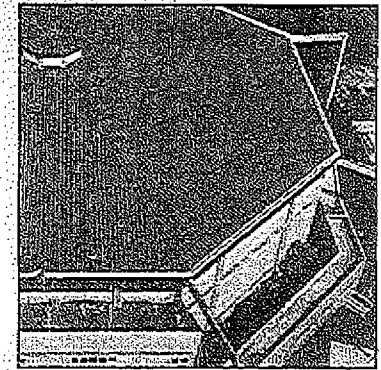
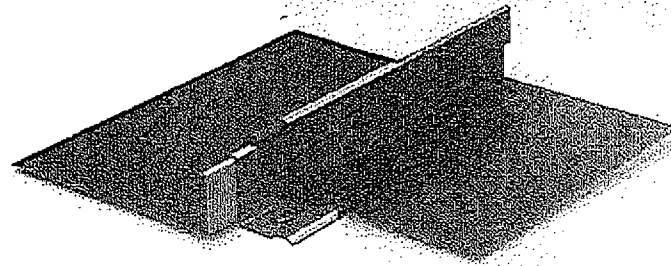


Berridge SP-21 Zee-Lock Roll Former



# Berridge Cee-Lock Panel

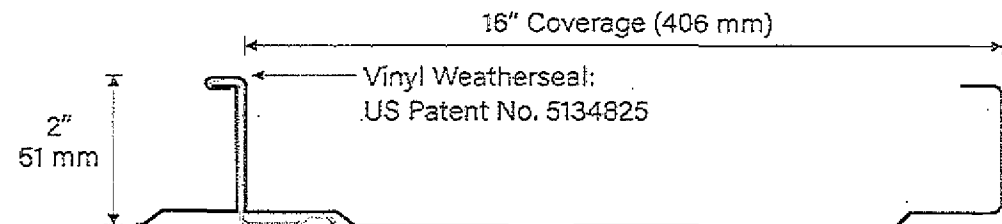
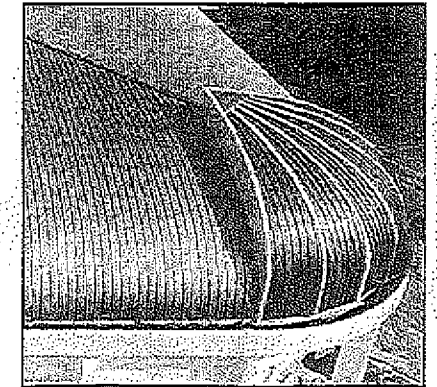
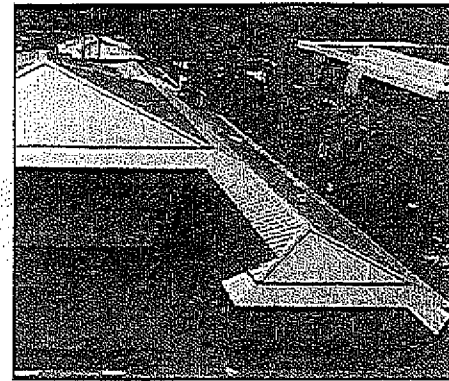
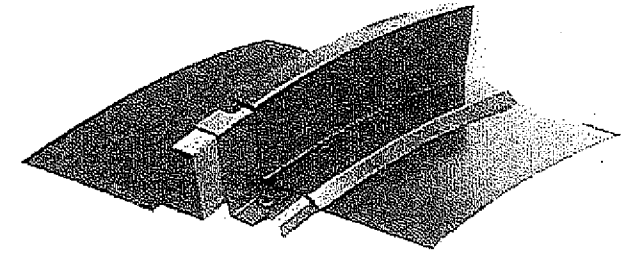
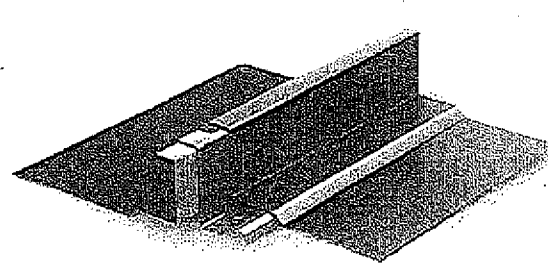
- ❑ Designed for residential or commercial construction over solid sheathing.
- ❑ This 1 1/2" high panel incorporates an integral snap-lock seam and an optional extruded vinyl weatherseal.
- ❑ The standard coverage option is 16 1/2" and its optional 11 1/2" coverage adds versatility
- ❑ Materials: 24 and 22 Gauge Steel, 0.032 Aluminum
- ❑ Applications: Solid sheathing
- ❑ Uses: Roof, Fascia





## Berridge Zee-Lock Panel

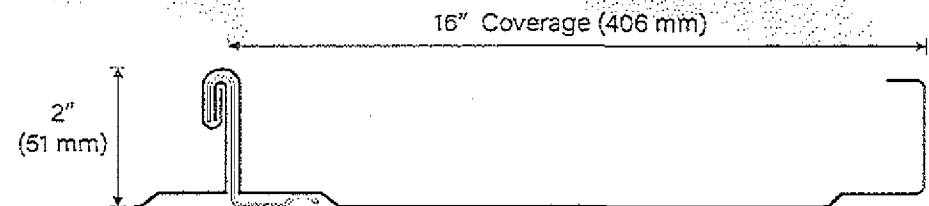
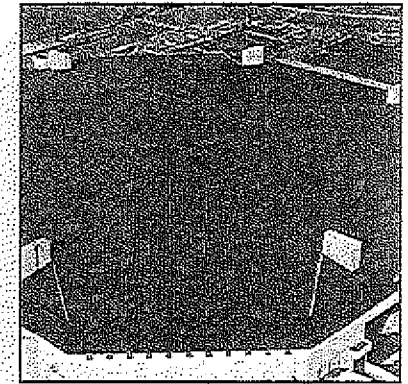
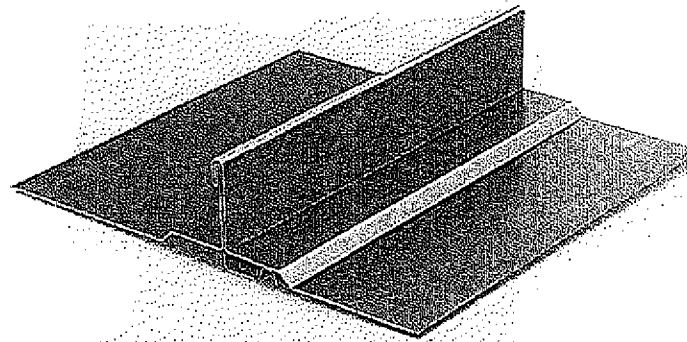
- ❑ Designed for residential or commercial construction over open framing or solid sheathing.
- ❑ This 2" high mechanically seamed panel is ideal for straight or curved applications.
- ❑ Can be curved or tapered.
- ❑ Materials: 24 and 22 Gauge Steel 0.032 and 0.040 Aluminum
- ❑ Applications: Open framing, solid sheathing
- ❑ Uses: Roof, Fascia

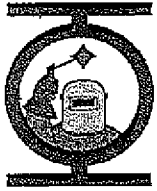




# Berridge Double-Zee-Lock Panel

- ❑ Designed for residential or commercial construction over open framing or solid sheathing.
- ❑ This is a 2" high standing seam panel with 16" coverage and is 180-degree mechanically seamed.
- ❑ Materials: 24 and 22 Gauge Steel 0.032 and 0.040 Aluminum
- ❑ Applications: Open framing, solid sheathing
- ❑ Uses: Roof, Fascia





# Berridge Standard Colors

## BERRIDGE MANUFACTURING STANDARD COLORS

Shasta White	Parchment	Almond	Sierra Tan	Buckskin
Medium Bronze	Aged Bronze	Copper Brown	Dark Bronze	Terra-Cotta
Deep Red	Colonial Red	Burgundy	Bristol Blue	Royal Blue
Patina Green	Hemlock Green	Teal Green	Forest Green	Evergreen
Hartford Green	Cityscape	Zinc Grey	Charcoal Grey	Matte Black

## Metallic Colors

Berridge metallic colors are premium finishes which require a nominal surcharge.

Champagne	Copper-Cote™	Antique Copper-Cote
Zinc-Cote™	Lead-Cote™	Prewathered Galvalume®

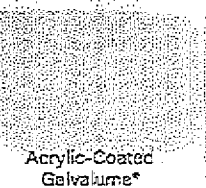
## Premium Colors

Berridge premium colors require a nominal surcharge.

Natural White	Award Blue

## Natural Metal Finish

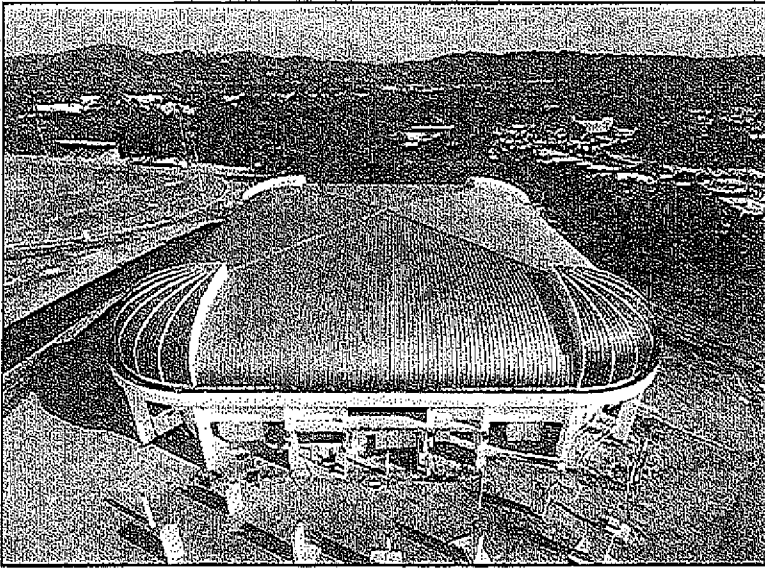
Berridge Acrylic-Coated Galvalume™ is a coated sheet product that combines the corrosion resistance of Galvalume® steel sheet with a clear, organic resin applied to the top side and bottom side of Galvalume® substrate.



Acrylic-Coated Galvalume®

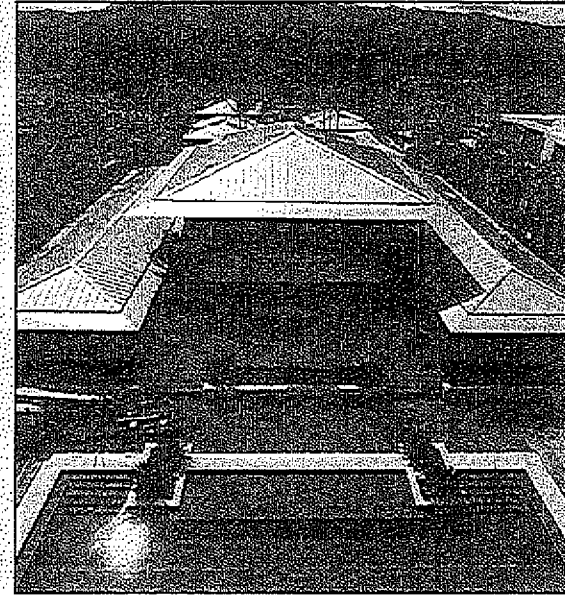


# Berridge Total Program Projects



## San Lorenzo Coliseum

- Owner: Municipio de San Lorenzo
- Location: San Lorenzo, PR
- Cost: \$527,280
- Year Completed: 2016



## Lote 12 Residence

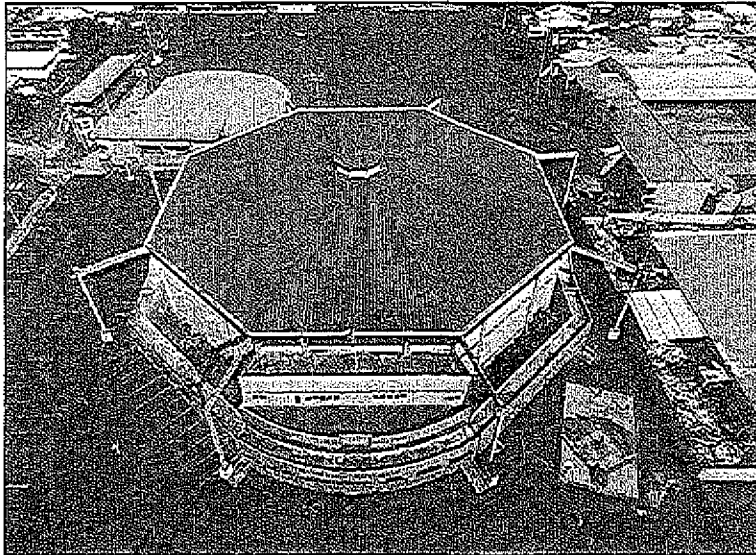
- Client: Interlink Construction, Inc.
- Location: Bahía Beach
- Steel Frame & Standing Seam Roof System
- Year Completed: 2017





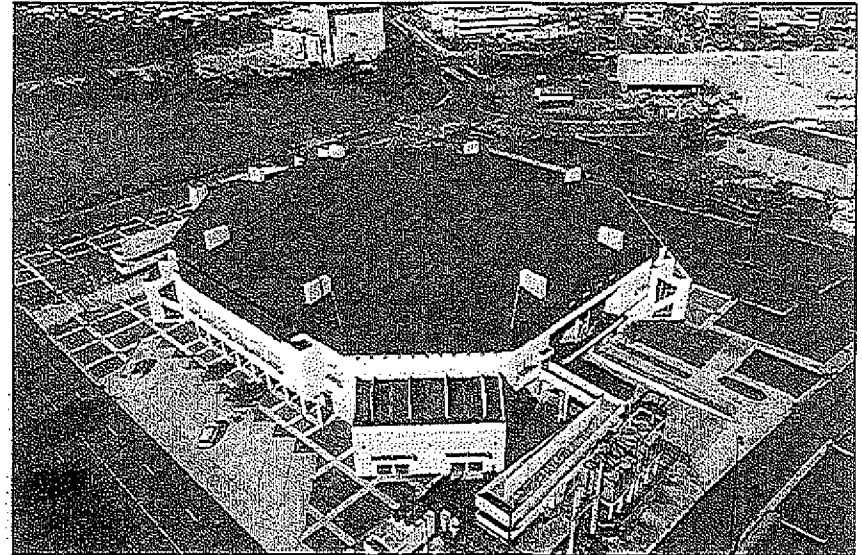
# Berridge Total Program Projects

---



## Mini Stadium for Little Leagues

- Owner: Municipality of Toa Baja
- Client: Nex Corp.
- Location: Toa Baja, PR
- Cost: \$ 2,440,700



## Humacao Coliseum

- Owner: Municipality of Humacao
- Location: Humacao, PR
- Year Completed: 2010

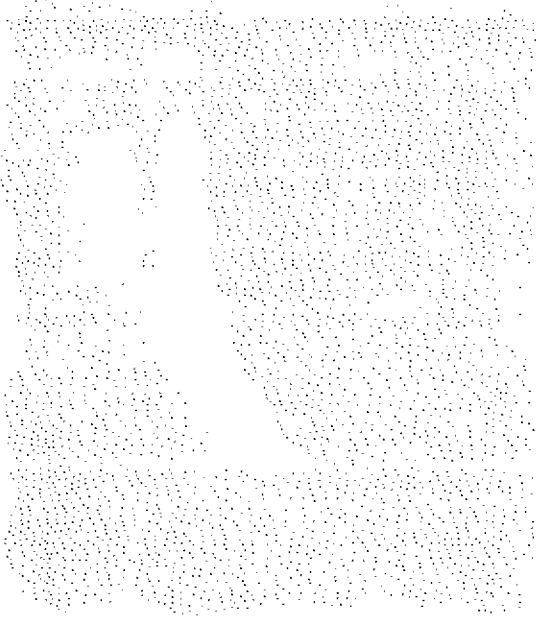


1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud.

2. The second part of the document outlines the various methods used to collect and analyze data. It describes the use of statistical techniques to identify trends and anomalies in the data, and the importance of using reliable sources of information.

3. The third part of the document discusses the role of the auditor in the process. It explains that the auditor's primary responsibility is to provide an independent and objective assessment of the financial statements, and to report on the results of their audit.

4. The fourth part of the document discusses the importance of transparency and accountability in the financial system. It explains that transparency allows stakeholders to make informed decisions, and accountability ensures that those responsible for the system are held to account for their actions.



5. The fifth part of the document discusses the importance of ongoing monitoring and evaluation of the financial system. It explains that the system must be regularly reviewed to ensure that it remains effective and efficient, and that any changes or improvements are implemented in a timely manner.

6. The sixth part of the document discusses the importance of communication and collaboration between all stakeholders in the financial system. It explains that effective communication is essential for the system to function properly, and that collaboration is necessary to identify and address any issues or challenges that arise.



GOBIERNO DE PUERTO RICO

JUNTA PARA LA INVERSIÓN EN LA INDUSTRIA PUERTORRIQUEÑA

## RESOLUCIÓN

DE CERTIFICACIÓN PARA CONCEDER EL POR CIENTO DEL PARÁMETRO DE INVERSIÓN A LOS PRODUCTOS DE LA EMPRESA:

**Alonso & Carus**  
**PO BOX 566**  
**CATAÑO P.R. 00963**

Clasificación: Manufactura

La Junta de Inversión en la Industria Puertorriqueña, en Referéndum del mes de diciembre de 2019, evaluó la solicitud de por ciento del parámetro de inversión por manufactura de los productos que más adelante se detallan. Evaluada la solicitud del peticionario y por la facultad que le confiere la Ley Núm. 14 de 8 de enero de 2004, según enmendada, se asigna:

PARÁMETRO DE INVERSIÓN DE DIEZ por ciento (10%).

Este parámetro de inversión de los productos manufacturados en Puerto Rico por el peticionario (con exclusión de cualquiera otro producto no incluido en esta Resolución) y que a continuación se describen, cuando se presente junto con una oferta o licitación responsiva, será aplicado al momento de la adjudicación en las compras del Estado Libre Asociado de Puerto Rico y sus agencias (según definidas por Ley).

	Producto	Marca	Formas y Tamaño
1	TODA FABRICACIÓN EN ACERO ESTRUCTURAL	ALONSO & CARUS	ESTRUCTURAS EN ACERO SEGÚN DISEÑO QUE PODRÍAN SER RECTANGULARES, CUADRADAS, O DE CUALQUIER OTRA FORMA, MULTIPISOS O DE UN SOLO PISO. TIENDAS POR DEPARTAMENTOS, FAST FOODS, RESTAURANTES, ETC.
2	SILOS	ALONSO & CARUS	VERTICALES DESDE 250 GALONES HASTA 15,000,000 DE GALONES



3	PAILERÍA	ALONSO & CARUS	PIEZAS EN ACERO DE CUALQUIER FORMA Y FIGURA GEOMÉTRICA DESDE UN ÁREA DE 36" CUADRADAS HASTA 864" CUADRADAS.
4	CHIMENEAS	ALONSO & CARUS	ESTRUCTURA CILÍNDRICA CON DIÁMETRO DESDE 6" A 20' Y ALTURA DESDE 5' HASTA 200'.
5	CONDUCTOS DE HUMO, AIRE, OTROS	ALONSO & CARUS	ESTRUCTURA CILÍNDRICA O CUADRADA CON DIÁMETROS DESDE 6" A 20' Y ALTURA DESDE 5' HASTA 200'.
6	ESCALERAS	ALONSO & CARUS	DESDE 10' HASTA 200' DE ALTURA. RECTAS O EN ESPIRAL.
7	PARRILLAS	ALONSO & CARUS	CUADRADAS O RECTANGULARES DESDE UN ÁREA DE 144" CUADRADAS HASTA 400' CUADRADOS
8	MEZANINE	ALONSO & CARUS	PISO INTERMEDIO MANUFACTURADO SUS BASES EN ACERO SEGÚN ESPECIFICACIONES DESDE 40' CUADRADOS EN ADELANTE.
9	PUNTES	ALONSO & CARUS	TODA FORMA Y LARGO SEGÚN ESPECIFICACIONES DEL CLIENTE
10	PIPE RACK	ALONSO & CARUS	ESTRUCTURA MANUFACTURADA EN ACERO QUE CONSISTE DE ANGULARES O TUBOS SOLDADOS JUNTOS PARA FORMAR UNA ESPECIE DE PUENTE QUE SIRVE DE APOYO A LÍNEAS DE TUBERÍAS. TODA ESPECIFICACIÓN POR EL CLIENTE DE FORMA Y LARGO.
11	TORRES	ALONSO & CARUS	DESDE 10' HASTA 300'



12	SOPORTES DE ESTRUCTURAS	ALONSO & CARUS	CUALQUIER ESTRUCTURA EN ACERO MANUFACTURADA PARA SERVIR DE BASE. PODRÍA SER DE CUALQUIER TAMAÑO Y FORMA DE ACUERDO A LAS ESPECIFICACIONES DEL CLIENTE.
13	PLATAFORMAS	ALONSO & CARUS	CUADRADAS Y RECTAGULARES DESDE UN ÁREA DE 16' CUADRADOS.
14	SANDBLASTING Y PINTURA	ALONSO & CARUS	TRABAJO EN SUPERFICIES DE ACERO DESDE 14" CUADRADOS
15	METAL DECK, STANDING SEAM	ALONSO & CARUS	TODO TIPO DE PLANCHAS DE TECHO PARA ESTRUCTURAS, CASAS, EDIFICIOS, ETC DESDE 36" DE ANCHO Y 5' LARGO
16	TANQUES DE PRESIÓN, BAJA PRESIÓN Y ATMOSFÉRICA	ALONSO & CARUS	DE CUALQUIER DISEÑO Y GALONAJE
17	TANQUES EN ACERO NEGRO, ACERO INOXIDABLE, ALIACIONES Y CUALQUIER OTRO TIPO DE MATERIAL DE ACERO	ALONSO & CARUS	VERTICALES, HORIZONTALES, PARED SECILLA, PARED DOBLE, CON DIQUES, TODO TIPO DE FORMAS DE CUALQUIER GALONAJE.
18	EDIFICIOS PRE-FABRICADOS EN ACERO	ALONSO & CARUS	ESTRUCTURAS SEGÚN DISEÑO QUE PODRÍAN SER RECTANGULARES, CUADRADAS O CUALQUIER OTRO TIPO DE FORMA, MULTIPISOS O DE UN SOLO PISO SIN LIMITARSE A ESTO. CANCHAS DE DEPORTES BAJO TECHO, ANGARES, ENTRE OTROS.



19	ESCULTURAS EN ACERO	ALONSO & CARUS	ESTRUCTURA DE CUALQUIER DISEÑO, TAMAÑO Y FORMA EN ACERO. EJEMPLO, LAS LETRAS DE PONCE
20	PLATOS (PLATE WORKS), PLATES ROLLING, CNC CUT & DRILLED PLATES	ALONSO & CARUS	CUALQUIER TAMAÑO, ESPESOR, FORMA DE CORTE, BARRENADO Y ROLEADO.

Copia de esta Resolución, que enumera los productos para los cuales se concede el porcentaje de preferencia, deberá ser entregada a las Agencias de Gobierno cada vez que participe en un proceso de compras. Las Agencias vienen llamadas a adjudicar utilizando dicho parámetro según disposiciones reglamentarias. Esta Resolución tendrá una vigencia de dieciocho (18) meses, hasta el 19 de junio de 2021. La petición de renovación del porcentaje deberá hacerse no más tarde del 19 de marzo de 2021, noventa (90) días previos a la fecha de expiración.

Esta Resolución deja sin efecto cualquier Resolución emitida previamente concediendo beneficios por el mismo concepto. Se le advierte al peticionario que hacer utilización de resoluciones previas puede resultar en procesos adjudicativos y sanciones. El beneficio del porcentaje de parámetro de inversión aquí concedido no se entenderá como un medio para aumentar el precio del producto, sino como uno para enfrentarse a la competencia en los procesos de compras gubernamentales.

Si el recipiente del beneficio aquí concedido no estuviera de acuerdo con el mismo podrá solicitar reconsideración de la determinación de la Junta de Inversión dentro de quince (15) días calendario siguientes al recibo de esta notificación. La Junta deberá emitir una determinación por escrito sobre la solicitud de reconsideración presentada dentro de los quince (15) días de recibo de la solicitud. La determinación de la Junta será notificada al solicitante. De resultar adversamente afectado, el solicitante podrá recurrir ante el Tribunal de Primera Instancia, Sala Superior de San Juan, dentro de un término de treinta (30) días a partir de la fecha de la notificación de la Junta.

Resolución 10%  
Manufactura  
Alonso & Carus  
19 de diciembre de 2019  
Página 5 de 5



GOBIERNO DE PUERTO RICO  
JUNTA PARA LA INVERSIÓN EN LA INDUSTRIA PUERTORRIQUEÑA

### CERTIFICACIÓN

Yo, Milady Ojeda Canales, Secretaria Ejecutiva de la Junta para la Inversión en la Industria Puertorriqueña (JIIP), CERTIFICO que la Junta de Directores de la JIIP aprobó por Referéndum el 19 de diciembre de 2019, la concesión del parámetro de inversión presentada en esta Resolución.

Por tanto, esta Resolución entra en vigor inmediatamente después de su aprobación.

En San Juan, Puerto Rico, hoy, 19 de diciembre de 2019.

  
Milady Ojeda Canales  
Secretaria Ejecutiva de la Junta



GOBIERNO DE PUERTO RICO  
DEPARTAMENTO DE DESARROLLO ECONÓMICO Y COMERCIO  
JUNTA DE INVERSIÓN PARA LA INDUSTRIA PUERTORRIQUEÑA

ALONSO & CARUS  
Solicitud: 10% de Preferencia  
Renglón: MANUFACTURA

**CERTIFICACION**  
**EXTENSIÓN DE TIEMPO DE VIGENCIA A RESOLUCION CONCEDIDA**

ALONSO & CARUS mantiene una Resolución de un diez por ciento (10%) de preferencia en manufactura de sus productos en Puerto Rico, que fue concedida mediante Referéndum de la Junta del mes de diciembre de 2019. Dicha Resolución tenía vigencia hasta el 19 de junio de 2021. La empresa sometió una solicitud de renovación el pasado 19 de julio de 2021, la cual está siendo evaluada.

La Orden Administrativa Núm. 2020-001, *Orden Administrativa de la Junta de Inversión para la Industria Puertorriqueña para extender automáticamente la vigencia de las resoluciones para conceder el por ciento del parámetro de inversión de los productos de las empresas, cuyas fechas de vencimiento se encuentren a partir del 12 de marzo de 2020, fecha en la cual se promulgó el Boletín Administrativo Núm. 2020-020 decretando estado de emergencia en la Isla por COVID-19*, emitida el 21 de octubre de 2020, dispone que:

Se autoriza a extender automáticamente la vigencia de las Resoluciones para conceder el por ciento del parámetro de inversión de los productos de las empresas, cuyas fechas de vencimiento se encuentran a partir del 12 de marzo de 2020. La extensión automática se concederá por un periodo inicial de seis (6) meses. En caso de que venza la certificación extendida y aún la emergencia no haya culminado, se emitirá automáticamente extensiones adicionales de un mes, hasta tanto se dé por terminada la emergencia conforme lo disponga Orden Ejecutiva.

Yo, Maribel Silva Muñoz, Secretaria Ejecutiva de la Junta de Inversión para la Industria Puertorriqueña (JIIP), certifico que, a ALONSO & CARUS se le otorga una extensión de tiempo de vigencia al parámetro de inversión concedido el mes de diciembre de 2019, efectivo hasta el 19 de enero de 2022.

Copia de esta Extensión de Vigencia de Tiempo será entregada a las Agencias de Gobierno junto a la Resolución previamente concedida cada vez que participen en un proceso de compras.

Dado en San Juan, Puerto Rico, hoy, 11 de diciembre de 2021.

Maribel Silva Muñoz  
Secretaria Ejecutiva

# Technical Specifications







# ANNEX 1

## Tank Labeling & Color Code

## ❑ ROTULACIÓN DEL TANQUE

- El contratista proveerá e instalará la rotulación del Tanque. Se requerirá rotulación en (4) cuatro puntos Cardinales, Ej. (Norte, Sur, Este, Oeste) al centro de la penúltima anilla del tanque.
- La AEE seleccionará el área. El contratista deberá remover y remplazar toda la rotulación existente en el tanque.

El Tanque se identificará de la siguiente forma:

AEE FIRE PROTECTION  
X,XXX,XXX GALS

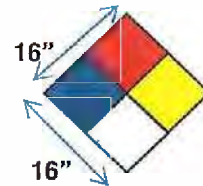
El volumen del tanque se representará numéricamente. **volumen del tanque (GALS)**

El alcance incluye proveer e instalar el Diamante de Comunicación de Riesgo en los (4) puntos cardinales.

### **NFPA DIAMOND HAZARD LABELING WITH NUMBERS**

Las dimensiones mínimas del diamante serán de 16" x 16".

La leyenda numérica del interior del diamante será seleccionada por la AEE.



La rotulación del Tanque tendrá las siguientes características:

- ❑ El material deberá ser igual o aprobado igual al ORACAL 951 PREMIUM CAST.

- El color de las letras será seleccionado por la AEE. Se deberá presentar carta de Colores.
- El tipo de letra será Arial.
- El tamaño de las letras será de 8" pulgadas de alto y el logo de 12".
- Largo de cada Rotulo 12"pies.
- El ancho de las líneas que componen cada letra será de 3" pulgadas.
- El material de las letras será de incomparable durabilidad, conformabilidad y estabilidad dimensional.
- Espesor del material de las letras será de 2 mils (*milésimas de pulgada*).
- La durabilidad del material expuesto al exterior (*outdoor*) deberá ser de 10 años.
- El adhesivo será solvente de poliácilato permanente (*Solvent Polyacrylate*).

El contratista deberá someter una muestra del material a utilizarse para la evaluación y aceptación por la AEE.

El contratista deberá someter el Arte creado para la evaluación y aceptación por la AEE.

Se incluye Logo AEE que será incorporado como parte del Arte en la rotulación del tanque.



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AUTORIDAD DE ENERGÍA ELÉCTRICA DE PUERTO RICO

SAN JUAN, PUERTO RICO

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APARTADO 364267  
CORREO GENERAL  
SAN JUAN, PR 00936-4267

**DIRECTORADO DE GENERACIÓN**  
**COMITÉ CÓDIGO DE COLORES**

**Fecha :** 28 de septiembre de 2015

**Hora :** 9:30 a.m.

**Lugar :** Salón de Conferencias-Oficinas del CASE

**DECISIONES DEL COMITÉ CÓDIGO DE COLORES**

- Utilizar el Código ANSI / ASME A 13.1-2007 (*Standard for Identification*, para la identificación de las líneas y los tanques.
- Todos los tanques serán blancos, con su identificación correspondiente (el nombre del producto), según el diamante de comunicación de riesgos, NFPA *National Fire Protection* y con el logo de la Autoridad.
- Debe haber iluminación apropiada y ésta debe ser a prueba de explosión (explosion proof). Se indicó que es bien importante porque los accidentes, por lo general, ocurren en las noches.
- Cada tanque tendrá una rotulación que será en proporción al tamaño de cada tanque (establecido por vida útil) y que especifique su capacidad.
- Se realizarán las inspecciones de los tanques cada 5 años.

Tanques:

Tanques	
Unidad de Medida	Contenido
Barriles	Bunker C
Galones	Light Oil – Diésel- Agua



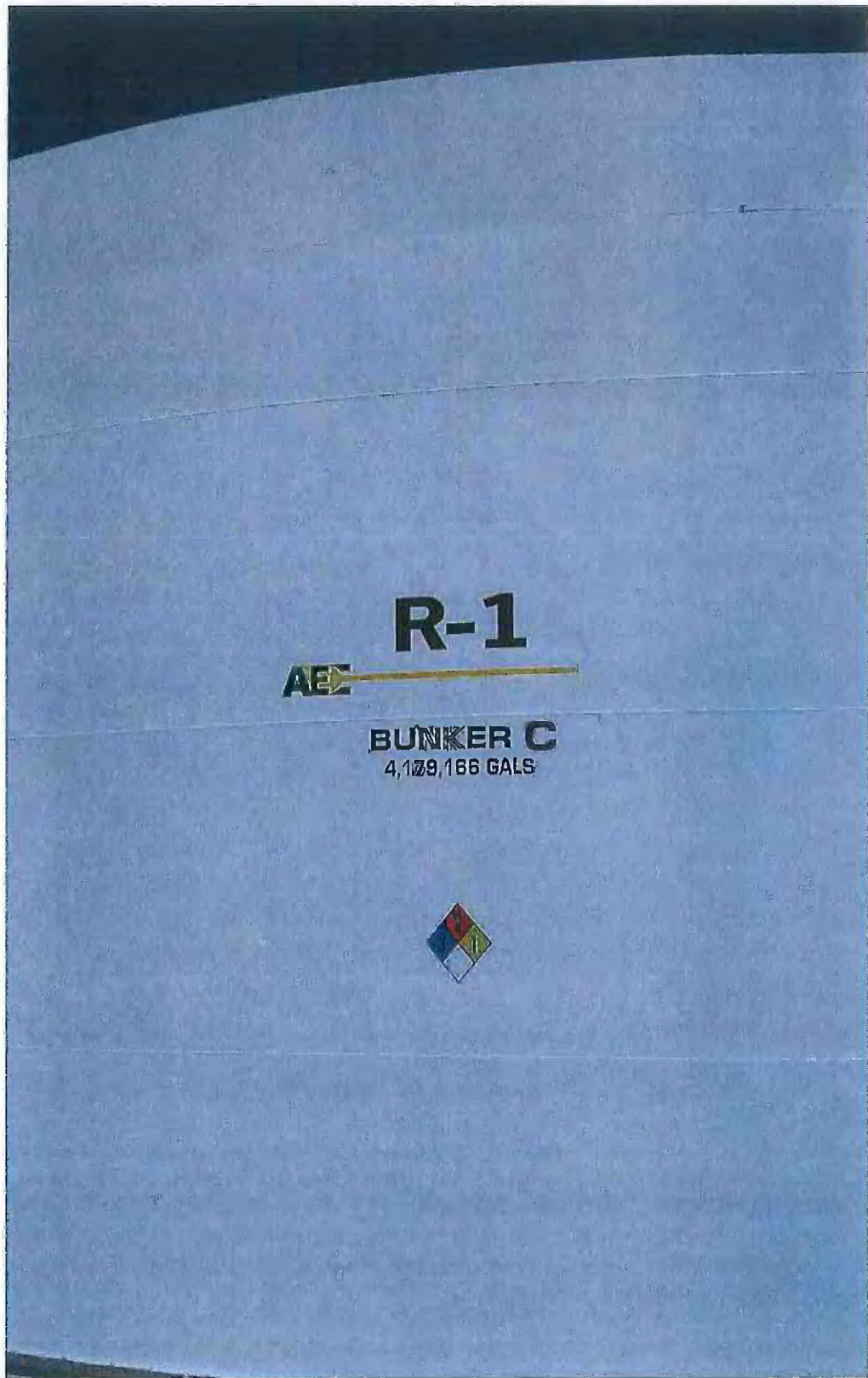
*CP - 11/24/14*  
*Final Approved*

16" PULGADAS DE ANCHO X  
 16" PULGADAS DE ALTO



4' PIES DE LARGO X 16" PULGADAS DE ALTO

**R-1**







### Colores para Líneas de Flujo

Colores para Líneas de Flujo	
Blanco	Bunker C, Light Oil
Amarillo	Hidrógeno, Gas Natural y Propano
Anaranjado	Ácido Sulfúrico concentrado, Amoníaco, Hidracina, Ciclohexamina
Azul Claro	Soda cáustica
Rojo	Sistema Contra Incendio
Verde	Agua de caldera, planta de tratamiento, enfriamiento, desmineralizada, de pozo
Blanca	Agua de AAA--
Grís	Aceite de lubricación
Etiqueta negra y letras blancas (están insuladas)	Vapor

- En un tubo, entre una etiqueta y otra, no debe excederse los 25 pies, y éstas deben especificar la dirección del flujo.
- Se creará un PM para asegurar el cumplimiento del código de colores, tanto en los tanques como en las líneas.

# PIPE MARKING GUIDE

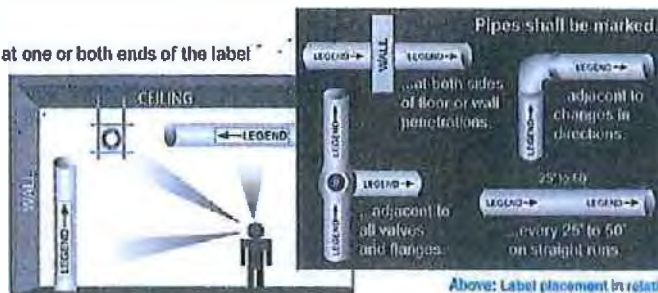
to the ANSI/ASME A13.1 - 2007 Standard for the Identification of Pipes

## COLOR CODE

Material Properties	Letter color on Field color	Example
<b>FLAMMABLE</b> Fluids which are a vapor or produce vapors that can ignite and continue to burn in air	Black on Yellow	→ HYDROGEN →
<b>COMBUSTIBLE</b> Fluids that may burn but are not flammable	White on Brown	→ ACETIC ACID →
<b>TOXIC &amp; CORROSIVE</b> Fluids which are corrosive or toxic or will produce corrosive or toxic substances	Black on Orange	→ NITRIC ACID →
<b>FIRE QUENCHING</b> Water and other substances used in sprinkler fire-fighting piping systems	White on Red	→ HALON →
<b>OTHER WATER</b> Any other water, except for water used in sprinkler and fire-fighting piping systems	White on Green	→ BOILER WATER →
<b>COMPRESSED AIR</b> Any vapor or gas under pressure that does not fit a category above	White on Blue	→ COMPRESSED AIR →
<b>DEFINED BY USER</b>	White on Black	→ DEFINED BY USER →
<b>DEFINED BY USER</b>	Black on White	→ DEFINED BY USER →
<b>DEFINED BY USER</b>	White on Purple	→ DEFINED BY USER →
<b>DEFINED BY USER</b>	White on Gray	→ DEFINED BY USER →

## PLACE MARKERS:

- To indicate direction of flow by labeling with arrows at one or both ends of the label
- To be visible from the point of normal approach
- Near valves, flanges and changes in pipe direction
- Both sides of ceiling, wall or floor penetrations
- At any line entry or re-entry point
- On straight pipe runs
- Every 60 feet



Right: Orientation of Labels

Above: Label placement in relation to point of normal approach

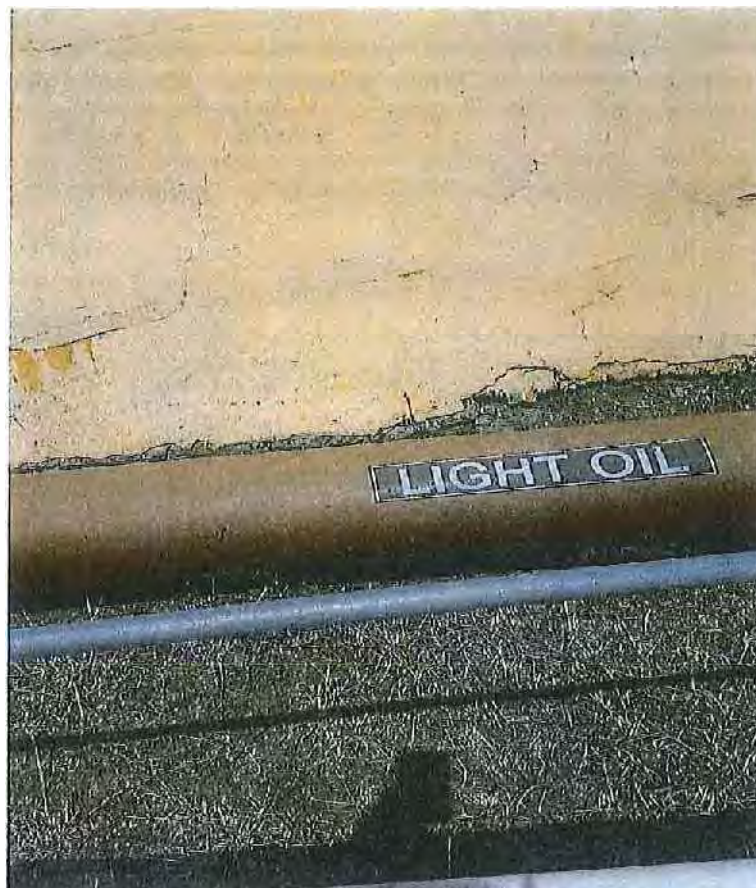
## PIPE MARKER SIZE CHART Letter and Label Dimensions in accordance with pipe diameter

Outside Pipe Diameter Including Covering	Minimum Length of Label Field Color	Minimum Height of Letters
.75" - 1.25"   19 - 32 mm	8"   203 mm	.5"   13 mm
1.5" - 2"   38 - 51 mm	8"   203 mm	.75"   19 mm
2.5" - 6"   64 - 152 mm	12"   305 mm	1.25"   32 mm
8" - 10"   203 - 254 mm	24"   610 mm	2.5"   64 mm
Over 10"   Over 254 mm	32"   813 mm	3.5"   89 mm

NOTE: It is recommended that pipes less than .75" in diameter be labeled with a permanent tag.

This guide is for general purposes only. It is not a substitute for review of applicable standards.





MIEMBROS CÓMITE CÓDIGO DE COLORES

Samuel A. Peña, Superintendente –  
Extensión Vida Útil

Pedro A. Polanco, Químico  
Jefe Asuntos Ambientales

Renecito Pabón, Jefe  
Sección Ambiental – Aguirre

Rosa E. Feliciano, Supvr. Princ. Interina  
Seguridad Ocupacional

Luis Cruz Ortega, Gerente Interino CASE



# ASEGÚRATE



Seguimos con nuestra transformación de Seguridad y Salud Ocupacional. En este volumen mostramos el Código de Colores, para que vayas familiarizándote con el significado de cada color y el contenido de cada línea que transporte algún producto en tu área de trabajo. Para beneficio de todos, proveemos información sobre la Ley 16, nuestra responsabilidad y qué documentación tenemos que tener disponible ante cualquier visita de OSHA o auditoría de nuestros Oficiales de Seguridad a las diferentes dependencias de la Autoridad. Educándonos podemos hacer mejor nuestro trabajo. Adelante, ¡sigamos con nuestra Transformación por el bienestar de todos los que laboramos en la AEE!

Yeyisa M. Salvá Fuentes  
Jefa de División  
Seguridad Ocupacional

SEPTIEMBRE 2015, AÑO 6, VOLUMEN 9

## Sabías que...

La Ley 16, conocida como Ley de Seguridad y Salud en el Trabajo de Puerto Rico está vigente desde el 5 de agosto de 1975. El propósito de esta ley es asegurar a todo empleado un lugar de trabajo libre de riesgos reconocidos a la salud y seguridad, minimizar los accidentes y las pérdidas.

Cuando existe una querrela realizada por un empleado o por un referido, un Inspector de OSHA en Puerto Rico, es el representante del Secretario del Departamento del Trabajo y tiene la facultad de realizar inspecciones en las áreas de trabajo, realizar entrevistas a empleados, tomar muestras y fotos para poder documentar dicha querrela. Este referido puede ser una noticia en algún periódico, radio o televisión, hasta la queja de algún vecino de la industria querrelada.

A su vez, todo supervisor, es el representante del patrono según está definido en la Ley, ya que éste ejerce autoridad sobre cualquier empleado. Así que es deber de todo patrono o supervisor cumplir con la Ley. Los supervisores son los llamados a documentar todo trabajo, gestión, coordinación y de proveer toda herramienta y equipo de protección personal que los empleados necesiten para cada tarea asignada por el supervisor.



En inspecciones realizadas por Inspectores de OSHA y por personal de nuestra División, se requiere una serie de documentos. A continuación, desglosamos cuáles son los documentos que debemos tener siempre disponibles. Estos son:

⇒ **Repaso breve del trabajo (job briefing)**- En ese documento debe estar escrito (a mano) cuál es el trabajo a realizar y la fecha en que se ofrece. Ejemplo: cambio de escobillas de la excitatriz #4. Cada parte de ese *job briefing* tiene que estar marcada, las cosas que apliquen. Las partes son: los riesgos asociados con ese trabajo específico, las precauciones especiales necesarias para el trabajo a realizar, el control de las fuentes de energía, el equipo de protección personal que va a usar cada empleado envuelto en esa tarea y los procedimientos o métodos de trabajo a utilizar. Todo *job briefing* tiene que estar firmado, en tinta azul, por el supervisor y los empleados.

⇒ **OSHA 300, 300A y 301** — Estos documentos los llena la oficina administrativa de cada área. Los Inspectores de OSHA usualmente piden de los últimos tres años y el año en curso hasta la fecha de la visita.

⇒ **Charlas de seguridad** — Cada mes, todo supervisor tiene que ofrecer una charla de seguridad de algún tema relevante, como podrían ser: productos químicos, equipos de protección personal, ruido, accidentes o incidentes ocurridos en las áreas de trabajo, y otros.

⇒ **Adiestramientos del personal** — Solo personal que haya sido adiestrado y esté cualificado para ciertas tareas puede realizar las mismas. Mantenga en el expediente del empleado todas las certificaciones y adiestramientos para evidenciar las cualificaciones de sus empleados.

⇒ **Certificaciones de equipos** — Todo elevador (carga y pasajeros), vasijas de presión, grúas de talleres, grúas *cherry pickers*, grúas de área de sargazo, vehículos de motor, jirafas, tijeras y otros equipos para levantar carga o personas tiene que tener su certificación anual vigente. Todo equipo de este tipo que esté involucrado en un incidente o accidente, ese certificado es una de las primeras cosas que pide un Oficial de Seguridad o Inspector de OSHA.

⇒ **Certificación de andamio y de quién lo instaló** — Solo personal adiestrado y cualificado podrá montar y certificar que un andamio está completo y disponible para usarse.

**SIEMPRE** que reciba la visita de un Inspector de OSHA, tiene que comunicarse a nuestra oficina, División de Seguridad Ocupacional, para asistirlo en la visita. Nuestro personal tiene vasta experiencia y le va a ayudar a manejar la situación y cumplir con la reglamentación.

**RECUERDE** nuestros teléfonos son:

**(787) 521-4241, 4240, 4243... ¡a sus órdenes siempre!**





# ¡MI FAMILIA ME ESPERA EN CASA, POR ESO ME PROTEJO Y ME CUIDO!

## Charla de seguridad... Código de Colores



Recientemente la Autoridad estableció su Código de Colores, uniforme, para la identificación rápida de riesgos al trabajar en líneas que contengan algún producto. Esto nos sirve para reaccionar efectivamente durante una emergencia, y utilizar los equipos de protección necesarios para evitar exponernos a un producto que se encuentre almacenado en un tanque o una línea.

Además, cuando un empleado cambia de área de trabajo, o está prestado en algún área diferente a la suya, puede fácilmente reconocer los riesgos en el área, porque los colores serán los mismos en toda dependencia de la AEE.

Los equipos y estructuras que deben diferenciarse por el uso de colores son: tuberías, tanques y el sistema de protección contra incendio.

De acuerdo a OSHA, los colores que se utilizan son el rojo y el amarillo. El rojo se usa para indicar los sistemas de protección contra incendio, avisar la existencia de algún peligro (rótulos y recipientes de seguridad para productos inflamables como son los cilindros de hidrógeno), para indicar donde detenerse y para identificar el botón donde se desactiva una máquina. Además, el amarillo es el color que indica precaución.

OSHA adopta del *American National Standard Institute* (ANSI, por sus siglas en inglés), el uso de otros colores para identificar otros riesgos (ver tabla adjunta). ANSI, recomienda que en las tuberías se identifiquen las sustancias contenidas, escribiendo el nombre del contenido y la dirección del flujo. Esta identificación se colocará cerca de las válvulas, en las ramificaciones y donde la línea cambie de dirección. Además, deben ser colocadas en los puntos de mayor visibilidad, cada 25 pies de distancia, y siempre que una línea pase por una pared, debe estar rotulada en ambos lados de la pared, siempre con la dirección en que se mueve el flujo.

Les mostramos un ejemplo de como se colocarán las etiquetas en las líneas.



Acompañamos tabla de colores para las líneas de flujo y para que vayan relacionándose con éstas. En todas las Centrales se adoptarán los mismos colores por cada producto incluido.

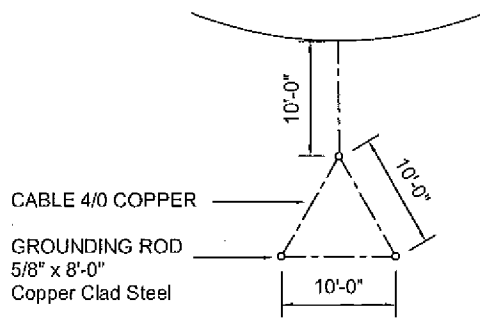
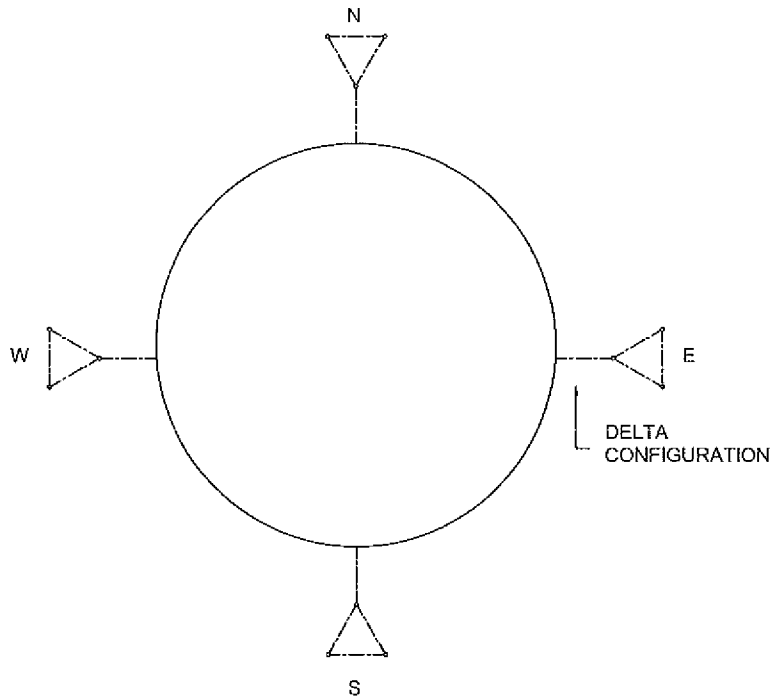
Colores para Líneas de Flujo	
Blanco	Bunker C, Light Oil
Amarillo	Hidrógeno, Gas Natural y Propano
Anaranjado	Ácido sulfúrico concentrado, Amoníaco, Hidracina, Ciclohexanamina
Azul Claro	Soda cáustica
Rojo	Sistema Contra Incendio
Verde	Agua de caldera, Planta de tratamiento, Agua desmineralizada, Agua de pozo y Agua de enfriamiento
Blanca	Agua de AAA
Gris	Acelte de lubricación
Etiqueta negra y letras blancas (líneas insujadas)	Vapor

Recuerda siempre verificar la hoja de datos de seguridad (SDS) para saber que equipo de protección necesitas usar al trabajar o exponerte a estos productos.



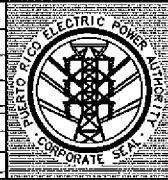
# GENERAL GROUNDING DETAILS FOR TANKS

SCALE: 1/32"=1'-0"



**DELTA DETAIL**  
SCALE 1/16"=1'-0"

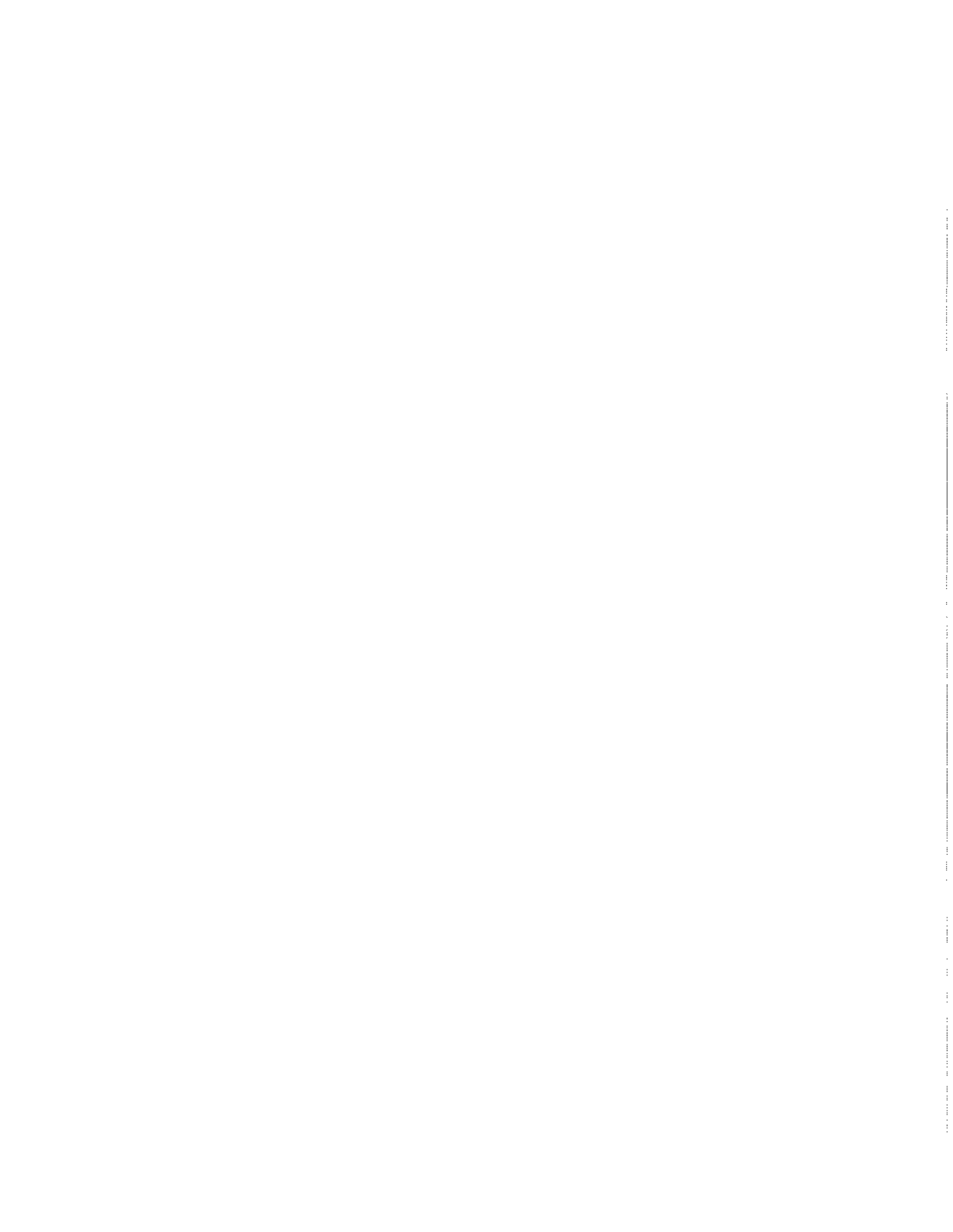
DESIGNED	_____	_____
SURVEYED	_____	_____
DRAWN	_____	_____
CHECKED	_____	_____
PERMITTED	_____	_____
RECOMMENDED	_____	_____
APPROVED	_____	_____



**ELECTRIC POWER AUTHORITY**  
**ENGINEERING DIVISION**

GENERAL GROUNDING DETAILS FOR TANKS

SCALE: AS SHOWN | SAN JUAN, PUERTO RICO



## SECTION 02110 - SITE CLEARING

### PART 1 - GENERAL

#### 1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and Division 1 Specification Sections, apply to this Section.

#### 1.2 SUMMARY

- A. This Section includes the following:

1. Protection of existing trees indicated to remain.
2. Removal of trees and other vegetation.
3. Topsoil stripping.
4. Clearing and grubbing.
5. Removing above - grade improvements.
6. Removing below - grade improvements.

- A. Traffic: Conduct site-clearing operations to ensure minimum interference with roads, streets, walks, and other adjacent occupied or used facilities. Do not close or obstruct streets, walks, or other occupied or used facilities without permission from authorities having jurisdiction.

- B. Protection of Existing Improvements: Provide protections necessary to prevent damage to existing improvements indicated to remain in place.

1. Protect improvements on adjoining properties and on Owner's property.
2. Restore damaged improvements to their original condition, as acceptable to property owners.

- C. Protection of Existing Trees and Vegetation: Protect existing trees and other vegetation indicated, to remain in place against unnecessary cutting, breaking or skinning of roots, skinning or bruising of bark, smothering of trees by stockpiling construction materials or excavated materials within drip line, excess foot or vehicular traffic, or parking of vehicles within drip line.

Provide temporary guards to protect trees and vegetation to be left standing.

1. Water trees and other vegetation to remain within limits of contract work as required to maintain their health during course of construction operations.
2. Provide protection for roots over 1-1/2 inch in diameter that are cut during construction operations. Coat cut faces with emulsified asphalt or other acceptable coating formulated to use on damaged plant tissues. Temporarily cover exposed roots with wet burlap to prevent roots from drying out; cover with earth as soon as possible.
3. Repair or replace trees and vegetation indicated to remain that are damaged by construction operations in a manner acceptable to Architect. Employ a licensed arborist to repair damage to trees and shrubs.
4. Replace trees that cannot be repaired and restored to full-growth status, as determined by arborist. \* --\*

D. Improvements on Adjoining Property: Authority for performing removal and alteration work on property adjoining Owner's property will be obtained by Owner prior to award of contract .

1. Extent of work on adjacent property is indicated on Drawings.

E. Salvable Improvements: Carefully remove items indicated to be salvaged and store on Owner's premises where indicated or

#### 1..4 EXISTING SERVICES

- A. General: Indicated locations are approximate; determine exact locations before commencing work.
- B. Arrange and pay for disconnecting, removing, capping, and plugging utility services. Notify affected utility companies in advance and obtain approval before starting this Work.
- C. Place markers to indicate location of disconnected services. Identify service lines and capping locations on Project Record Documents.

PART 2 - PRODUCTS (Not Applicable)

PART 3 - EXECUTION

3..1 SITE CLEARING

- A. General: Remove trees, shrubs, grass, and other vegetation, improvements, or obstructions, as required, to permit installation of new construction. Remove similar items elsewhere on site or premises as specifically indicated. Removal includes digging out and off-site disposal of stumps and roots.
  - 1. Cut minor roots and branches of trees indicated to remain in a clean and careful manner where such roots and branches obstruct installation of new construction.
  
- B. Topsoil: Topsoil is defined as friable clay loam surface soil found in a depth of not less than 4 inches. Satisfactory topsoil is reasonably free of subsoil, clay lumps, stones, and other objects over 2 inches in diameter, and without weeds, roots, and other objectionable material.
  - 1. Strip topsoil to whatever depths encountered in a manner to prevent intermingling with underlying subsoil or other objectionable material. Remove heavy growths of grass from areas before stripping.
    - a. Where existing trees are indicated to remain, leave existing topsoil in place within drip lines to prevent damage to root system.
  - 2. Stockpile topsoil in storage piles in areas indicated or directed. Construct storage piles to provide free drainage of surface water. Cover storage piles, if required, to prevent wind erosion.
  - 3. Dispose of unsuitable or excess topsoil as specified for disposal of waste material



C. Clearing and Grubbing: Clear site of trees, shrubs, and other vegetation, except for those indicated to be left standing,

1. Completely remove stumps, roots, and other debris protruding through ground surface.
2. Use only hand methods for grubbing inside drip line of trees indicated to remain.
3. Fill depressions caused by clearing and grubbing operations with satisfactory soil material, unless further excavation or earthwork is indicated.

a. Place fill material in horizontal layers not exceeding 6 inches loose depth, and thoroughly compact each layer to a density equal to adjacent original ground.

D. Removal of Improvements: Remove existing above-grade and below-grade improvements as indicated and as necessary to facilitate new construction.

1. Abandonment or removal of certain underground pipe or conduits may be indicated on mechanical or electrical drawings and is included under work of related Division 15 and 16 Sections. Removing abandoned underground piping or conduits interfering with construction are included under this Section.

### 3..2 DISPOSAL OF WASTE MATERIALS

A. Burning on Owner's Property: Burning is not permitted on Owner's property.

B. Burning on Owner's Property: Burning will be permitted only at designated areas and times directed by Owner. Provide full-time monitoring for burning materials until fires are extinguished.

C. Removal to Owner's Spoil Area: Transport no-combustible waste materials and unsuitable topsoil materials to designated, spoil areas on Owner's property and dispose of as directed.

D. Removal to Owner's Spoil Area: Transport waste materials and unsuitable topsoil materials to designated spoil areas on Owner's property and dispose of as directed.

E. Removal from Owner's Property: Remove waste materials and unsuitable or excess topsoil from Owner's property.

END OF SECTION 02110

SECTION 02200 - EARTHWORK

PART 1 GENERAL

1..1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and Division 1 Specification Sections, apply to this Section.

1..2 SUMMARY

- A. This Section includes the following:
  - 1. Preparing and grading sub-grades for slabs-en-grade, walks, pavements, and landscaping.
  - 2. Excavating and backfilling for buildings and structures.
  - 3. Drainage and moisture-control fill course for slabs-on-grade.
  - 4. Subbase course for walks and pavements.
  - 5. Subsurface drainage backfill for walls and trenches.
  - 6. Excavating and backfilling trenches within building lines.
  - 7. Excavating and backfilling for underground mechanical and electrical utilities and appurtenances.
- B. Related Sections: The following Sections contain requirements that relate to this Section.
  - 1. Division 2 Section "Site Clearing" for site stripping, grubbing, topsoil removal, and tree protection.
  - 2. Division 3 Section "Cast-In-Place Concrete" for concrete encasings, cradles, and appurtenances for utility systems.

1..2 UNIT PRICES

- A. Rock Measurement: Volume of rock actually removed, measured in original position, but not to exceed the following:
  - 1. 24 inches outside of concrete forms other than at footings.

2. 12 inches outside of concrete forms at footings.
  3. 6 inches outside of minimum required dimensions of concrete cast against grade.
  4. 6 inches beneath bottom of concrete slabs on grade.
  5. 6 inches beneath invert elevation of pipe in trenches, and the greater of 24 inches wider than pipe diameter or 42 inches wide.
- B. Unit prices for rock excavation include replacement with approved materials.

#### 1..4 DEFINITIONS

- A. Excavation consists of the removal of material encountered to sub grade elevations and the reuse or disposal of materials removed.
- B. Sub grade: The uppermost surface of an excavation or the top surface of a fill or backfill immediately below sub base, drainage fill, or topsoil materials.
- C. Borrow: Soil material obtained off-site when sufficient approved soil material is not available from excavations.
- D. Sub base Course: The layer placed between the sub grade and base course in a paving system or the layer placed between the sub grade and surface of a pavement or walk.
- E. Base Course: The layer placed between the sub base and surface pavement in a paving system.
- F. Drainage Fill: Course of washed granular material supporting slab-on-grade placed to cut off upward capillary flow of pore water.
- G. Unauthorized excavation consists of removing materials beyond indicated sub grade elevations or dimensions without direction by the Architect. Unauthorized excavation, as well as remedial work directed by the Architect, shall be at the Contractor's expense.
- H. Structures: Buildings, footings, foundations, retaining walls, slabs, tanks, curbs, mechanical and electrical appurtenances, or other man-made stationary features constructed above or below ground surface.
- I. Utilities include on-site underground pipes, conduits, ducts, and cables, as well as underground services within building lines.

#### 1..5 SUBMITTALS

- A. General: Submit the following according to the Conditions of the Contract and Division 1 Specification Sections.
- B. Product data for the following:
  - 1. Each type of plastic warning tape.
  - 2. Filter fabric.
- C. Samples of the following:
  - 1. 12-by-12-inch sample of filter fabric.
- D. Test Reports: In addition to test reports required under field quality control, submit the following:
  - 1. Laboratory analysis of each soil material proposed for fill and backfill from on-site and borrow sources.
  - 2. One optimum moisture-maximum density curve for each soil material.
  - 3. Report of actual unconfined compressive strength and/or results of bearing tests of each stratum tested.
- E. Blasting plan approved by authorities having jurisdiction.
- F. Photographs of existing adjacent structures and site improvements.

#### 1..6 QUALITY ASSURANCE

- A. Codes and Standards: Perform earthwork complying with requirements of authorities having jurisdiction.
- B. Comply with applicable requirements of NFPA 495- Explosive Materials Code.
- C. Testing and Inspection Service: Owner will employ a qualified independent geotechnical engineering testing agency to classify proposed on-site and borrow soils to verify that soils comply with specified requirements and to perform required field and laboratory testing.
- D. Testing and Inspection Service: Employ a qualified independent geotechnical engineering testing agency to classify proposed on-site and borrow soils to verify that soils comply with specified requirements and to perform required field and laboratory testing.

## 1..7 PROJECT CONDITIONS

- A. Existing Utilities: Do not interrupt existing utilities serving facilities occupied by the Owner or others except when permitted in writing by the Architect and then only after acceptable temporary utility services have been provided.
  - 1. Provide a minimum 43-hours' notice to the Architect and receive written notice to proceed before interrupting any utility.
- B. Demolish and completely remove from site existing underground utilities indicated to be removed. Coordinate with utility companies to shutoff services if lines are active.

## PART 2 - PRODUCTS

### 2..1 SOIL MATERIALS

- A. General: Provide approved borrow soil materials from off-site when sufficient approved soil materials are not available from excavations.
- B. Satisfactory Soil Materials: ASTH D 2487 soil classification groups GW, GP, GM, SW, SP, and SM; free of rock or gravel larger than 2 inches in any dimension, debris, waste, frozen materials, vegetation and other deleterious matter.
- C. Unsatisfactory' Soil Materials: ASTM D 24S7 soil classification groups GC, SC, ML, MH, CL, CH, OL, OH, and PT.
- D. Backfill and. Fill Materials: Satisfactory soil materials.
- E. Sub base and Base Material: Naturally or artificially graded mixture of natural or crushed gravel, crushed stone, and natural or crushed sand, ASTM D 2940, with at least 95 percent passing a 1-1/2-inch sieve and not more than 3 percent passing a No. 200 sieve.
- F. Engineered Fill: Sub case or base materials.

- G. Bedding Material: Sub base or base materials with 100 percent passing a 1-inch sieve and not more than 8 percent passing a No. 200 sieve.
- H. Drainage Fill: Washed, evenly graded mixture of crushed stone, or crushed or uncrushed gravel, ASTM D 448, coarse aggregate grading size 57, with 100 percent passing a 1-1/2-inch sieve and not more than 5 percent passing a No. 8 sieve.
- I. Filtering Material: Evenly graded mixture of natural or crushed gravel or crushed stone and natural sand, with 100 percent passing a 1-1/2-inch sieve and 0 to 5 percent passing a No. 50 sieve.
- J. Impervious Fill: Clayey gravel and sand mixture capable of compacting to a dense state.

## 2.2 ACCESSORIES

- A. Warning Tape: Acid- and alkali-resistant polyethylene film warning tape manufactured for marking and identifying underground utilities, 6 inches wide and 4 mils thick, continuously inscribed with a description of the utility.
- B. Detectable Warning Tape: Acid- and alkali-resistant polyethylene film warning tape manufactured for marking and identifying underground utilities, 6 inches wide and 4 mils thick minimum, continuously inscribed with a description of the utility, with metallic core encased in a protective jacket for corrosion protection, detectable by metal detector when tape is buried up to 2'-5" deep.
  - 1. Tape Colors: Provide tape colors to utilities as follows:
    - a. Red: Electric.
    - b. Yellow: Gas, oil, steam, and dangerous materials.
    - c. Orange: Telephone and other communications.
    - d. Blue: Water systems.
    - e. Green: Sewer systems.

C. Filter Fabric: Manufacturer's standard non-woven pervious geotextile fabric of polypropylene, nylon or polyester fibers, or a combination.

1. Provide filter fabrics that meet or exceed the listed minimum physical properties determined according to ASTM D 4759 and the referenced standard test: method in parentheses:

a. Grab Tensile Strength (ASTM D 4632): 100 lb.

b. Apparent Opening Size (ASTM D 4751): #100 U.S. Standard sieve.

c. Permeability (ASTM D 4491): 150 gallons per minute per square ft.

### PART 3 - EXECUTION

#### 3..1 PREPARATION

- A. Protect: structures, utilities, sidewalks, pavements, and other facilities from damage caused by settlement, lateral movement, undermining, washout, and other hazards created by earthwork operations.
- B. Provide erosion control measures to prevent erosion or displacement of soils and discharge of soil-bearing water runoff or airborne dust to adjacent properties and walkways.
- C. Tree protection is specified in the Division 2 Section "Site Clearing".

#### 3..2 DEWATERING

- A. Prevent surface water and subsurface or ground water from entering excavations, from ponding on prepared sub-grades, and from flooding Project site and surrounding area.
- B. Protect sub grades and foundation soils from softening and damage by rain or water accumulation.



### 3..3 EXCAVATION

- A. Explosives: Do not use explosives.
- B. Classified Excavation: Excavation is classified and includes excavation to required sub grade elevations. Excavation will be classified as earth excavation or rock excavation as follows:
  - 1. Earth excavation includes excavation of pavements and other obstructions visible on surface; underground structures, utilities, and other items indicated to be demolished and removed; together with soil and other materials encountered that are not classified as rock or unauthorized excavation.
    - a. Intermittent drilling, blasting, or ripping to increase production and not necessary to permit excavation of material encountered will be classified as earth excavation.
  - 2. Rock excavation includes removal and disposal of rock material and obstructions encountered that cannot be removed by the following heavy-duty rock excavating equipment without systematic drilling, blasting, or ripping.
    - a. Rock material includes boulders 1/2 cu. yd. or more in volume and rock in beds, ledges, unstratified masses, and conglomerate deposits.

3. Rock excavating equipment for footings, trenches, and pits shall be equivalent to Caterpillar Model No. 215D LC track-mounted hydraulic excavator, equipped with a 42-inch-wide short-tip radius rock bucket, rated at not less than 120-hp flywheel power with bucket-curling force of not less than 25,000 lb and stick-crowd force of not less than 18,700 lb, measured according to SAE Standard J1179.
4. Rock-excavating equipment for open excavations shall be equivalent: to Caterpillar Model No. 973, heavy-duty, track-mounted loader, rated at not less than 210-hp flywheel power and developing minimum of 45,000-lb breakout force, measured according to SAE Standard J732c-69.
  - a. Excavations more than 10 feet in width and pits more than 30 feet in either length or width are defined as open excavations.
5. Rock excavation will be paid by unit prices included in the Contract Documents.
6. Do not excavate rock until it has been classified and cross-sectioned by Architect.

#### 3..4 STABILITY OF ESCAVATIONS

- A. Comply with local codes, ordinances, and requirements of authorities having jurisdiction to maintain stable excavations.

#### 3..5 EXCAVATION FOR STRUCTURES

- A. Excavate to indicated elevations and dimensions within a tolerance of plus or minus 0.10 foot. Extend excavations a sufficient distance from structures for placing and removing concrete formwork, installing services and other construction, and for inspections.
  1. Excavations for Footings and Foundations: Do not disturb bottom of excavation. Excavate by hand to final grade just before placing concrete reinforcement. Trim bottoms to required lines and grades to leave solid base to receive other work.

### 3..6 EXCAVATION FOR WALKS AND PAVEMENTS

- A. Excavate surfaces under walks and pavements to indicated cross sections, elevations, and grades.

### 3..7 EXCAVATION FOR UTILITY TRENCHES

- A. Excavate trenches to indicated slopes, lines, depths, and invert elevations.
  - 1. Beyond building perimeter, excavate trenches to allow installation of top of pipe below frost line.
- B. Excavate trenches to uniform widths to provide a working clearance on each side of pipe or conduit. Excavate trench walls vertically from trench bottom to 12 inches higher than top of pipe or conduit, unless otherwise indicated.
  - 1. Clearance: 12 inches each side of pipe or conduit.
  - 2. Clearance: As indicated
- C. Trench Bottoms: Excavate and shape trench bottoms to provide uniform bearing and support of pipes and conduit. Shape sub grade to provide continuous support: for bells, joints, and barrels of pipes and for joints, fittings, and bodies of conduits. Remove stones and sharp objects to avoid point loading.
  - 1. For pipes or conduit less than 6 inches in nominal diameter and flat-bottomed, multiple-duct: conduit units, hand-excavate trench bottoms and support pipe and conduit on an undisturbed sub grade.
  - 2. For pipes and conduit 6 inches or larger in nominal diameter, shape bottom of trench to support bottom 90 degrees of pipe circumference. Fill depressions with tamped sand backfill.
  - 3. Where encountering rock or another unyielding bearing surface, carry trench excavation 6 inches below invert elevation to receive bedding course.

### 3..8 APPROVAL OF SUBGRADE

- A. Notify Architect, when excavations have reached required sub grade.
- B. When Architect determines that unforeseen unsatisfactory soil is present, continue excavation and replace with compacted backfill or fill material as directed.
  - 1. Unforeseen additional excavation and replacement material will be paid according to the Contract provisions for changes in Work.
- C. Reconstruct sub grades damaged by rain, accumulated water, or construction activities, as directed by the Architect.

### 3..9 UNAUTHORIZED EXCAVATION

- A. Fill unauthorized excavation under foundations or wall footings by extending indicated bottom elevation of concrete foundation or footing to excavation bottom, without altering required top elevation. Lean concrete fill may be used to bring elevations to proper position when acceptable to the Architect.
  - 1. Fill unauthorized excavations under other construction as directed by the Architect.
- B. Where indicated widths of utility trenches are exceeded, provide stronger pipe, or special installation procedures, as required by the Architect.

### 3..10 STORAGE OF SOIL MATERIALS

- A. Stockpile excavated materials acceptable for backfill and fill soil materials, including acceptable borrow materials. Stockpile soil materials without intermixing. Place, grade, and shape stockpiles to drain surface water. Cover to prevent wind-blown dust.
  - 1. Stockpile soil materials away from edge of excavations. Do not store within drip line of remaining trees.

### 3.11 BACKFILL

- A. Backfill excavations promptly, but not before completing the following:
1. Acceptance of construction below finish grade including, where applicable, dampproofing, waterproofing, and perimeter insulation.
  2. Surveying locations of underground utilities for record documents.
  3. Testing, inspecting, and approval of underground utilities.
  4. Concrete formwork removal.
  5. Removal of trash and debris from excavation.
  6. Removal of temporary shoring and bracing, and sheeting.
  7. Installing permanent or temporary horizontal bracing on horizontally supported walls.

### 3.12 UTILITY TRENCH BACKFILL

Place and compact bedding course on rock and other unyielding bearing surfaces and to fill unauthorized excavations. Shape bedding course to provide continuous support for bells, joints, and barrels of pipes and for joints, fittings, and bodies of conduits.

- B. Concrete backfill trenches that carry below or pass under footings and that are excavated within 18 inches of footings. Place concrete to level of bottom of footings.
- C. Provide 4-inch-thick concrete base slab support for piping or conduit less than 2'-6" below surface of roadways. After installation and testing, completely encase piping or conduit in a minimum of 4 inches of concrete before backfilling or placing roadway subbase.
- D. Place and compact initial backfill of satisfactory soil material or subbase material, free of particles larger than 1 inch, to a height of 12 inches over the utility pipe or conduit.
1. Carefully compact material under pipe haunches and bring backfill evenly up on both sides and along the full length of utility piping or conduit to avoid damage or displacement of utility system.
- E. Coordinate backfilling with utilities testing.

- F. Fill voids with, approved backfill materials as shoring and bracing, and sheeting is removed.
- G. Place and compact final backfill of satisfactory soil material to final sub grade.
- H. Install warning tape directly above utilities, 12 inches below finished grade, except 6 inches below sub grade under pavements and slabs.

### 3..13 SUBSURFACE DRAINAGE BACKFILL

- A. Subsurface Drain: Place a layer of filter fabric around perimeter of drainage trench or at footing, as indicated. Place a 6-inch compacted course of filtering material on filter fabric to support drainage pipe. After installing and testing, encase drainage pipe in a minimum of 6 inches of compacted filtering material and wrap in filter fabric, overlapping edges at least 6 inches.
- B. Drainage Backfill: Place and compact drainage backfill of filtering material over subsurface drain, in width indicated, to within 12 inches of final sub grade. Overlay drainage backfill with one layer of filter fabric, overlapping edges at least 6 inches.
- C. Impervious Fill: Place and compact impervious fill material over drainage backfill to final sub grade.

### 3..14 FILL

- A. Preparation: Remove vegetation, topsoil, debris, wet and unsatisfactory soil materials, obstructions, and deleterious materials from ground surface prior to placing fills.
  - 1. Plow strip, or break up sloped surfaces steeper than 1 vertical to 4 horizontal so fill material will bond with existing surface.
- B. When sub grade or existing ground surface to receive fill has a density less than that required for fill, break up ground surface to depth required, pulverize, moisture condition or aerate soil and re-compact to required density.

C. Place fill material in layers to required elevations for each location listed below.

1. Under grass, use satisfactory excavated or borrow soil material.
2. Under walks and pavements, use sub base or base material, or satisfactory excavated or borrow soil material.
3. Under steps and ramps, use sub base material.
4. Under building slabs, use drainage fill material.
5. Under footings and foundations, use engineered fill.

### 3..15 MOISTURE CONTROL

A. Uniformly moisten or aerate sub grade and each subsequent fill or backfill layer before compaction to within 2 percent of optimum moisture content.

1. Do not place backfill or fill material on surfaces that are muddy, frozen, or contain frost or ice.
2. Remove and replace, or scarify and air-dry satisfactory soil material that is too wet to compact to specified density.
  - a. Stockpile or spread and dry removed wet satisfactory soil material.

### 3..16 COMPACTION

A. Place backfill and fill materials in layers not more than 8 inches in loose depth for material compacted by heavy compaction equipment, and not more than 4 inches in loose depth for material compacted by hand-operated tampers.

B. Place backfill and fill materials evenly on all sides of structures to required elevations. Place backfill and fill uniformly along the full length of each structure.

C. Percentage of Maximum Dry Density Requirements: Compact soil to not less than the following percentages of maximum dry density according to ASTM D 1557:

1. Under structures, building slabs, seeps, and pavements, compact the top 12 inches below sub grade and each layer of backfill or fill material at 95 percent maximum dry density.

2. Under walkways, compact the top 6 inches below sub grade and each layer of backfill or fill material at 95 percent maximum dry density.
  3. Under lawn or unpaved areas, compact the top 6 inches below sub grade and each layer of backfill or fill material at 90 percent maximum dry density.
- C. Place fill material in layers to required elevations for each location listed below.

### 3..17 GRADING

- A. General: Uniformly grade areas to a smooth surface, free from irregular surface changes. Comply with compaction requirements and grade to cross sections, lines, and elevations indicated.
1. Provide a smooth transition between existing adjacent grades and new grades.
  2. Cut out soft spots, fill low spots, and trim high spots to conform to required surface tolerances.
- B. Site Grading: Slope grades to direct water away from buildings and to prevent pending. Finish sub grades to required elevations within the following tolerances:
1. Lawn or Unpaved Areas: Plus or minus 0.10 foot.
  2. Walks: Plus or minus 0.10 foot.
  3. Pavements: Plus or minus 1/2 inch.
- C. Grading inside Building Lines: Finish sub grade to a tolerance of 1/2 inch when tested with a 10-foot straightedge.

### 3..18 SUBBASE AND BASE COURSES

- A. Under pavements and walks, place sub base course material on prepared sub grades. Place base course material over sub bases to pavements.
1. Compact sub base and base courses at optimum moisture content to required grades, lines, cross sections and thickness to not less than 95 percent of ASTM D 4254 relative density.
  2. Shape sub base and base to required crown elevations and cross-slope grades.



3. When thickness of compacted sub base or base course is 6 inches or less, place materials in a single layer.
4. When thickness of compacted sub base or base course exceeds 6 inches, place materials in equal layers, with no layer more than 6 inches thick or less than 3 inches thick when compacted.

### 3..19 DRAINAGE FILL

- A. Under slabs-on-grade, place drainage fill course on prepared sub grade.
  1. Compact drainage fill to required cross sections and thickness.
  2. When compacted thickness of drainage fill is 5 inches or less, place materials in a single layer.
  3. When compacted thickness of drainage fill exceeds 6 inches thick place materials in equal layers, with no layer more than 6 inches thick nor less than 3 inches thick when compacted.

### 3..20 QUALITY CONTROL

- A. Testing Agency Services: Allow testing agency to inspect and test each sub grade and each fill or backfill layer. Do not proceed until test results for previously completed work verify compliance with requirements.
  1. Perform field in-place density tests according to ASTM D 1556 (sand cone method) , ASTM D 2167 (rubber balloon method) , or ASTM D 2937 (drive cylinder method), as applicable.
    - a. Field in-place density tests may also be performed by the nuclear method according to ASTM D 2922, provided that calibration curves are periodically checked and adjusted to correlate to tests performed using ASTM D 1556. With each density calibration check, check the calibration curves furnished with the moisture gages according to ASTM D 3017.

- b. When field in-place density tests are performed using nuclear methods, make calibration checks of both density and moisture gages at beginning of work, on each different type of material encountered, and at intervals as directed by the Architect.
- 2. Footing Sub grade: At footing sub grades, perform at least one test of each soil stratum to verify design bearing capacities. Subsequent verification and approval of other footing sub grades may be based on a visual comparison of each sub grade with related tested strata when acceptable to the Architect.
  - 3. Paved and Building Slab Areas : At sub grade and at each compacted fill and backfill layer, perform at least one field in-place density test for every 2,000 sq. ft. or less of paved area or building slab, but in no case fewer than three tests.
  - 4. Foundation Wall Backfill: In each compacted backfill layer, perform at least one field in-place density test for each 100 feet or less of wall length, but no fewer than two tests along a wall face.
  - 5. Trench Backfill: In each compacted initial and final backfill layer, perform at least one field in-place density test for each 150 feet or less of trench, but no fewer than two tests.
- A. When testing agency reports that sub grades, fills, or backfills are below specified density, scarify and moisten or aerate, or remove and replace soil to the depth required, re-compact and retest until required density is obtained.

### 3..21 PROTECTION

- A. Protecting Graded Areas: Protect newly graded areas from traffic, and erosion. Keep free of trash and debris.
- B. Repair and re-establish grades to specified tolerances where completed or partially completed surfaces become eroded, rutted, settled, or lose compaction due to subsequent construction operations or weather conditions.

1. Scarify or remove and replace material to depth directed by the Architect; reshape and re-compact at optimum moisture content to the required density.
- C. Settling: Where settling occurs during the Project correction period, remove finished surfacing, backfill with additional approved material, compact, and reconstruct surfacing.
  1. Restore appearance, quality, and condition of finished surfacing to match adjacent work, and eliminate evidence of restoration to the greatest extent possible.

### 3..22 DISPOSAL OF SURPLUS AND WASTE MATERIALS

- A. Disposal: Remove surplus satisfactory soil and waste material, including unsatisfactory soil, trash, and debris, and legally dispose of it off the Owner's property.
- B. Disposal: Transport surplus satisfactory soil to designated storage areas on the Owner's property. Stockpile or spread soil as directed by Architect.
  1. Remove waste material, including unsatisfactory soil, trash, and debris, and legally dispose of it off the Owner's property.

END OF SECTION 02200

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY

DEMI TANKS 1 & 2 STRUCTURAL REPAIRS  
AT THE COSTA SUR POWER PLANT  
SECOND ALTERNATIVE  
CONTRACT 89351  
(REQ. 241576)

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 Executive Director, Efran Paredes Maisonet, of legal age, married, engineer, and resident of Bayamón, Puerto Rico.

AS SECOND PARTY: Alonso & Carus, Iron Works, Inc. (Contractor), a corporation organized and existing under the laws of the Commonwealth of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its by its President, Jorge L. Ramos Ortiz, of legal age, married, and resident of Toa Baja, by virtue of Corporate Resolution dated as February 26, 2021.



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

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, this Contract was awarded to the Contractor on (February 18, 2021) by means of an emergency competitive process (RFP 0002983) Power Advocate Event Number 111534.

WITNESSETH

THEREFORE, IN CONSIDERATION of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, successors, and assignees, as follows:

TERMS AND CONDITIONS

ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all engineering, design, work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for Demi Service Tanks 1 & 2 Structural Repairs (Second Alternative) at the Costa Sur Power Plant. The services shall be provided in accordance with the specifications herein attached as an Annex.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

Article 2. Definitions

Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

2.1 Contracting Officer - shall mean PREPA's Executive Director, acting directly or through his properly authorized agents.

2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):


- a. Contract
- b. Terms and Conditions
- c. Special Conditions
- d. Questions and Answers during the procurement process
- e. Technical Specifications
- f. Instructions to Proponents
- g. Contractor's Proposal
- h. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.

In case of any discrepancy between the terms and conditions of this Contract and the terms of the Contractor's Proposals, the terms and conditions of this Contract shall prevail.

2.3 Completion Date – date in which all tasks and project scope had completed.

2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.



- 2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.
- 2.6 Final Acceptance – shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.
- 2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the Contractor to begin the Work or separate portions of the Work, as established in this Contract.
- 2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.
-  2.9 Special Conditions – are all the specific requirements, regulations and/or directions covering particular conditions of the project.
- 2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.
- 2.11 Environmental Compliance Officer – PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.
- 2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor

must install security barriers around the project boundaries to avoid non authorized personnel in the area.

ARTICLE 3: Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed four million ninety-six thousand seven hundred dollars (\$4,096,700). PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for Works, including the works done by its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed by both Parties, in writing.



The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation for the Demi Service Tanks 1 & 2 Structural Repairs at the Costa Sur Power Plant including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.

The invoices submitted by Contractor must be approved by the Engineer and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents.

PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's approval. PREPA shall retain ten percent (10%) of each payment until completion and acceptance of the Project.



Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment.

All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

No interest Certification:



Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Contract or a waiver has been previously obtained. I, also certify that the only consideration to provide the services under this Contract is the payment agreed with PREPA's authorized representative.

The total amount of this invoice is fair and correct. The works were completed, the services were provided and no payment has been received for said concept.

\_\_\_\_\_  
Contractor's Signature

Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17568-555-354.

ARTICLE 4: Commencement, Prosecution and Completion of Work

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on three hundred fifty (350) days on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a



copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).

The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

ARTICLE 5: Suspension of Work

The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.



ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called for or shown in both. In case of any difference between drawings and specifications, the specifications shall govern. In case of 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 he has received written orders from the Engineer.

The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

ARTICLE 7: Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by PREPA may include, but not limited to, changes:

1. In the specifications including drawings and design.
2. In the method or schedule of performance of the Works.
3. Acceleration in the performance of the Works.

Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agree by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) that Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor, in writing, of the basis for any disagreement and both Parties shall negotiate in good faith to solve any issues in order to, when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

ARTICLE 8. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and storage their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such



work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of the entire services requires the use of PREPA's own forces or by other contractors, 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.



ARTICLE 9: Inspection

9.1.1 Periodic Inspection

All material and workmanship (if not otherwise designated by the specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers.

Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this

Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt of the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.





ARTICLE 10. Submittals

The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith. Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

ARTICLE 11: Superintendence by the Contractor

Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of

subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

ARTICLE 12: Sanitary Facilities


The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

ARTICLE 13: Access to Work

The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

ARTICLE 14: Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event.




Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

ARTICLE 15: Penalties for Delays



If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of one thousand eight hundred dollars (\$1,800) for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.



In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only to appeal by the Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated by the extensions of time as provided above.


If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities

16.1 Civil Responsibility

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

 16.2 Indirect or Consequential Damages

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

16.3. Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.

16.4. Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.

16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained



by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

16.6. Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA.

If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.



ARTICLE 17: Independent 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 not be considered as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party: (i) becomes insolvent, or (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy. If PREPA terminates the Contract, PREPA shall

pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.

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 Contract 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 19: 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:

19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.



19.2 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

19.3 Commercial Automobile Liability Insurance:

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

19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

19.5 Professional Liability Insurance:

The Contractor shall provide a Professional Liability Insurance with limits of at least

\$1,000,000 per claim and at least \$1,000,000 aggregate.

19.6 Pollution Liability Insurance

The Contractor shall provide a Pollution Liability Insurance with limits of at least \$1,000,000 per claim and at least \$1,000,000 aggregate.

Requirements Under the Policies:

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

a. As Additional Insured:

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

b. A 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 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."

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 Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

Furnishing of Policies:

All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20: Permits and Licenses



The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.

ARTICLE 21: Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

ARTICLE 22. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to which it is entitled for services rendered or goods provided during the term of this Contract, 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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.



ARTICLE 23: Conflict of Interest

The Contractor certifies that it does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client it must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when its conduct is described as such in the canons of ethic applicable to the Contractor and its personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors

regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests. If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.



ARTICLE 24: Claims for Labor and Materials

The Contractor shall, at its own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any procedure or other liens to remain outstanding against any of the property 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 claims and any cost and expenses incidental thereto.

ARTICLE 25: Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit its own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other contractor.

ARTICLE 26: Minimum Wage Rates



Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

ARTICLE 27: Unfair Labor Practice

In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.



Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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: Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) 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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such



obligations, terms and conditions which exclusively related with works or services not included under the subcontract.


If the Contractor decides to assign any due or payables, to which it is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22, Transfer of Funds, of this Contract, shall apply.

ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

ARTICLE 30. Federal Contracting Provisions

Since the work under this Contract will be funded in whole or in part by grants through the Federal Emergency Management Agency (FEMA) Public Assistance program and the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Disaster Recovery program (CDBG-DR), the following provisions shall apply:



30.1 Remedies: Any violation or breach of terms of this Contract on the part of 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. Upon a material breach by Contractor, PREPA may utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommending suspension and debarment.

30.2 Equal Employment Opportunity: For all services under the Contract consisting of "federally assisted construction work," as defined at 41 C.F.R. § 60-1.3, Contractor agrees as follows:

1. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. 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, 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. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

2. Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.



3. 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 Contractor's legal duty to furnish information.

4. Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.




5. Contractor shall 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. Contractor shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
7. In the event of Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions 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 include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) 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 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Contractor shall take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.
9. Provided, however, that in the event Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such



direction by the administering agency, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

30.3 Employment Practices: PREPA further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work, provided, that if PREPA is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under this Contract.

30.4 Cooperation: PREPA agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.



30.5 Contracting Prohibition: PREPA further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, PREPA agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to PREPA under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from PREPA; and refer the case to the Department of Justice for appropriate legal proceedings.



30.6 Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701–3708) To the extent this Contract involves the employment of mechanics or laborers, the following provisions apply:

1. In accordance with 40 U.S. 3701 et. seq., no contractor or subcontractor contracting for any part of the contract work 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.
2. In the event of any violation of the clause set forth in paragraph (1) of this Section 30.6 Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, Contractor and 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 (1) of this Section 30.6, in the sum of \$27 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 (1) of this Section 30.6.
3. PREPA 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 such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the



clause set forth in paragraph (2) of this Section 30.6. Contractor or subcontractor shall insert in any subcontracts the clauses set forth in this Section 30.6 and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in set forth in this Section 30.6.

30.7 Clean Air and the Federal Water Pollution Control Act

1. Clean Air Act Clause:

- 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.
- Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

2. Federal Water Pollution Control Act Clause:

- Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.
- Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.





30.8 Suspension and Debarment Clause

1. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, Contractor is required to verify that none of the Contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
2. Contractor shall comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
3. Contractor shall execute the certification attached hereto as an Annex (Certification Regarding Debarment, Suspension and Other Responsibility Matters). This certification is a material representation of fact relied upon by PREPA. If it is later determined that 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 PREPA, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
4. Contractor shall, and shall cause all subcontractors of every tier to, comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C.



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

Contractors that apply or bid for an award exceeding \$100,000 shall file the required certification. Contractor shall cause every subcontractor of every tier above 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. Contractor shall cause every subcontractor of every tier to 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 (PREPA). Contractor shall also submit to PREPA the required certification regarding lobbying at

Appendix B, 44 C.F.R. Part 18 attached to this Contract as an Annex (Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements). Contractors that apply or bid for an award exceeding \$100,000 shall file the required certification. Contractor shall cause every subcontractor of every tier above 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. Contractor shall cause every subcontractor of every tier to 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 (PREPA). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix B, 44 C.F.R. Part 18 attached to this Contract as an Annex (Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements).



#### 30.10 Procurement of Recovered Materials

1. In the performance of this Contract, Contractor shall make maximum use of products containing recovered materials that are Environmental Protection Agency (EPA) designated items unless the product cannot be acquired:
  - Competitively within a timeframe providing for compliance with the Contract performance schedule;
  - Meeting Contract performance requirements; or
  - At a reasonable price.
2. 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-guideine-cpg-program>. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of Solid Waste Disposal Act.



30.11 Changes: At any time, and only through a written change order instruction, PREPA may make changes in the Services or work to be performed within the general scope of this Contract. To the extent Contractor can demonstrate such changes cause an increase or decrease in Contractor's cost of, or time required for, performance of any services under this Contract, an equitable adjustment shall be made and this Contract shall be modified in writing accordingly, provided, however, that no changes shall be made to the scope of the Services that would render the costs incurred in the performance of this Contract ineligible for, unallowable or not allocable under, outside the scope of, or not reasonable for the completion of, Federal grant awards from FEMA or any other U.S. federal agency.



30.12 Sufficiency of Funds: Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. If this occurs, the Contractor shall have the right to terminate this Contract, by providing PREPA an immediate notice by registered mail. The rights, duties and responsibilities of the Parties shall continue in full force and effect until the date of notification of the termination of the Contract. The Contractor shall have the right to compensation for what has been accrued for services rendered under this Contract until said date of termination. The Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Contract.

30.13 FEMA Disaster Assistance Survivor/Registrant Data:

1. If Contractor has access to Disaster Assistance Survivor/Registrant data or any other personally identifiable information, 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.
2. Contractor shall indemnify, defend, and hold harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from Contractor's failure to comply with the requirements under this Contract.



30.14 Costs: All costs incurred by 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 Contractor for costs which are found to be contrary to the cost principles 2 C.F.R. pt. 200, Subpart E.

30.15 Financial Management System: Contractor's financial management system shall provide for the following:

- Accurate, current and complete disclosure of the financial results of this Contract and any other contract, grant, program, or other activity administered by Contractor;
- Records adequately identifying the source and application of all Contractor funds and all funds administered by 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;
- Effective internal control structure over all funds, property and other assets, sufficient to allow Contractor to adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes;



- Comparison of actual outlays with budgeted amounts for this Contract and for any other contract, grant, program or other activity administered by Contractor;
- Accounting records supported by source documentation;
- Procedures to minimize elapsed time between any advance payment issued and the disbursement of such advance funds by Contractor; and
- 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, eligibility, allowability and allocability of costs under this Contract.



30.16 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 Contractor, 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 Contractor pursuant to this provision shall not relieve Contractor of liability to PREPA for damages sustained by PREPA by virtue of any other provision of this Contract.

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

30.18 Review of Laws: Contractor certifies 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 will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that Contractor was able to find it online and read it as required.

30.19 Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations

1. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, 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 PREPA to provide various financial and performance reporting. Contractor agrees to provide all information, documentation, and reports necessary to satisfy these reporting requirements. Failure by Contractor to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.

2. Applicable regulations, FEMA policy, and other sources setting forth these reporting requirements include, but are not limited to:

- 2 C.F.R § 200.327 (Financial Reporting);
- 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance); and
- Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.



30.20 Access to Records

1. Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of Contractor which are directly pertinent to this Contract for the purposes of making audits, examinations, excerpts, and transcriptions.
2. Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
3. Contractor agrees to provide the FEMA Administrator, the Secretary of HUD, or their authorized representatives access to construction or other work sites pertaining to the work being completed under the Contract.
4. In compliance with the Disaster Recovery Act of 2018, PREPA and Contractor acknowledge and agree that no language in this Contract is intended to prohibit



audits or internal review by the FEMA Administrator, the Secretary of HUD, or the Comptroller General of the United States.

30.21 Record Retention Requirements: 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 closeout 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.

30.22 Program Fraud and False or Fraudulent Statements or Related Acts: Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to Contractor's actions pertaining to this Contract.



Typo correction

30.23 Energy Efficiency: 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.

30.24 Age Discrimination Act of 1975: 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.

30.25 Americans with Disabilities Act: 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 of this Contract.


30.26 Title VI of the Civil Rights Act of 1964: 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.

30.27 Section 504 of the Rehabilitation Act of 1973, as amended: Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of his 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.

30.28 Drug-Free Workplace: 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.

30.29 Compliance with Laws, Regulations, and Executive Orders: Contractor acknowledges that FEMA and HUD financial assistance will be used to fund this Contract.

 Contractor shall, as and when applicable shall comply will all applicable Federal and Government of Puerto Rico 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 regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

30.30 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.

30.31 Agreement to Execute Other Required Documents: Contractor and all subcontractors, by entering into the Contract, understand and agree that funding for the Services is provided under Federal programs with specific contracting requirements. To the extent any such requirement is not otherwise set forth herein, Contractor agrees to execute such amendments or further agreements as may be necessary to ensure that PREPA receive Federal funding for this Contract.



30.32 U.S. Department of Homeland Security Seal, Logo, and Flags DHS Seal, Logo and Flags: 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.

30.33 Davis-Bacon Act

1. All transactions regarding this Contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. Contractor shall comply with 40 U.S.C. 3141- 3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.
2. Contractor shall pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
3. Additionally, Contractor shall pay wages not less than once a week.



30.34 Copeland Anti-Kickback Act

1. 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, which are incorporated by reference into this Contract.
2. Contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these Contract clauses.
3. A breach of the Contract clauses above may be grounds for termination of the Contract, and for debarment as a consultant, contractor and subcontractor as provided in 29 C.F.R. § 5.12.

30.35 HUD Section 3 Clause

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 the 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, 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 the 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 the 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. 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 (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 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).



30.36 Additional Fair Labor Standards Provisions (HUD Form 4010)

1. 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.
2. 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 C.F.R. 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 a wage determination of the Secretary of Labor, 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 C.F.R. 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 C.F.R. 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 C.F.R. 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.

3. 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:

- The work to be performed by the classification requested is not performed by a classification in the wage determination; and

- The classification is utilized in the area by the construction industry; and
  - The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
4. 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.).
5. 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.).
6. 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.






7. Whenever the minimum wage rate prescribed in this 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.
8. 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).
9. 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 Contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same 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 applicable 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



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are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.



10. 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 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).

11. 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 C.F.R. 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 at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. 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 Contractor to require a subcontractor to provide addresses and social security numbers to 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).



12. 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:
  - That the payroll for the payroll period contains the information required to be provided under 29 C.F.R. 5.5(a)(3)(ii), the appropriate information is being maintained under 29 C.F.R. 5.5(a)(3)(i), and that such information is correct and complete;



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- 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 C.F.R. Part 3;
  - 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);
  - 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;
  - 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 C.F.R. 5.12.

30.37 Apprentices and Trainees:

1. 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. Except as provided in 29 C.F.R. 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. The utilization of apprentices, trainees and journeymen under 29 C.F.R. Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 C.F.R. Part 30.

30.38 Compliance with Copeland Act: Contractor shall comply with the requirements of 29 C.F.R. Part 3 which are incorporated by reference in this Contract.

30.39 Subcontracts: Contractor or subcontractor will insert in any subcontracts the clauses contained in Section 30.36 (Additional Fair Labor Standards Provisions (HUD Form 4010)) to Section 1.44 (Complaints, Proceedings, or Testimony by Employees) 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. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this Section.

30.40 Contract Termination; Debarment: A breach of the contract clauses in 29 C.F.R. 5.5 may be grounds for termination of this Contract and for debarment as a consultant, contractor and a subcontractor as provided in 29 C.F.R. 5.12.

30.41 Compliance with Davis-Bacon and Related Act Requirements: All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 C.F.R. Parts 1, 3, and 5 are herein incorporated by reference in this Contract.

30.42 Disputes Concerning Labor Standards: Disputes arising out of the labor standards provisions of this Contract shall not be subject to the general dispute's clause of this Contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 C.F.R. 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.

30.43 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 C.F.R. 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 C.F.R. Part 24.
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 C.F.R. 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 C.F.R. 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."



30.44 Complaints, Proceedings, or Testimony by Employees: 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.

30.45 Health and Safety: 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.
4. Contractor shall include all of the above-detailed provisions in any and all subcontract agreements and shall be responsible to PREPA for its compliance.



30.46 No obligation by the Federal Government: The Federal Government is not a party to this Contract and is not subject to any obligation or liabilities to the non-Federal entity, Contractor, or any other party pertaining to any matter resulting from the Contract.

30.47 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.

30.48 Puerto Rico Energy Conservation Plant: 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.


30.49 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.

ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance



manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.



ARTICLE 32: Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

ARTICLE 34: Disputes

All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within ten (10) days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within ten (10) days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the



remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each Party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages.

In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the Contract are duly performed.

ARTICLE 35: Laws to be Observed

Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the Works, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of 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 16, Liabilities, of this Contract.

All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

ARTICLE 36: Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the Parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the Parties may have among them regarding the terms and conditions of this Contract.

ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39: Discrimination

The Contractor certifies that it is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.



ARTICLE 40: Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's



agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.



ARTICLE 41: Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention: Daniel Hernández Morales  
Generation Director

To Contractor: Alonso & Carus Iron Works, Inc.  
P.O. Box 566  
Cataño, Puerto Rico 00963

Attention: Jorge L. Ramos Ortiz  
President

ARTICLE 42: Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

ARTICLE 43: Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations.

Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to Contractor or used under its direction, and shall hand-in the work area free of contaminants. In the event of its failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and its surety or sureties shall be liable, therefore.

ARTICLE 44: Safety Provisions




44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's 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 from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.
- b. It shall establish the mechanisms used to update and audit compliance with itself.
- c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.

44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
- b. Description of the activities
- c. Occupational safety and health considerations to be addressed before commencement of the project.


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- d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
- i. Occupational Exposure to Lead (29 CFR 1926.62)
  - ii. Scaffolds (29 CFR 1926 Subpart L)
  - iii. Confined Spaces (29 CFR 1910.146)
  - iv. Occupational Exposure to Noise (29 CFR 1910.95)
  - v. Hazardous Materials (29 CFR 1910 Subpart H)
  - vi. Personal Protective Equipment (29 CFR Subpart I)
  - vii. Hazard Communication (29 CFR 1910.1200)
  - viii. HAZWOPER (29 CFR 1910.120)
  - ix. Fire Protection (29 CFR 1910 Subpart L)
  - x. Commercial Diving (29 CFR 1910 Subpart T)
  - xi. Respiratory Protection (29 CFR 1910.134)
  - xii. Fall Protection (29 CFR 1926 Subpart M)
  - xiii. Electrical (29 CFR 1926 Subpart K)
  - xiv. Welding (29 CFR 1926 Subpart J)
  - xv. Excavations (29 CFR 1926 Subpart P)
  - xvi. Demolitions (29 CFR 1926 Subpart T)
  - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
  - xviii. Ventilation (29 CFR 1926.57)
  - xix. Tools, Hand, and Powered (1926 Subpart I)
  - xx. Electric Industry (29 CFR 1910.269)
  - xxi. Lockout/Tagout (29 CFR 1910.147)
  - xxii. Asbestos (29 CFR 1910.1001)
- e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.
- g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).
- h. Certification of compliance with medical surveillance requirements, according to scope of work.
- i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.
- j. Safety equipment and materials to be used during the project.
- k. Procedures to verify the work area after each work day and at the end of the project.
- l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.
- m. 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.





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- 44.3 Before commencement of Work, the Contractor shall take part in a coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.
- 44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.
- 44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.
- 44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.
- 44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.
- 44.8 Welding operations will comply with the requirements of OSHA, ANSI and NFPA.
- 44.9 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. 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 on the work and all other persons who may

be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of its organization, evaluated and approved by PREPA, who shall be at all times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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

44.13 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.

44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.

44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.



ARTICLE 45: Environmental Conditions

45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on, under, or about the project site, Contractor shall promptly notify PREPA in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the escape of, or otherwise deposit in, on, under, or about the project site, any

hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply





immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

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



45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.

45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.

45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.

45.10 The Contractor shall comply with all the arrangements established in the Consent

Decree between PREPA and the Environmental Protection Agency (EPA).

- 45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.
- 45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.
- 45.13 The Contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.
- 45.14 All Work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the Spill Prevention and Control and Countermeasure Plan (SPCCP).
- 45.15 The Contractor shall submit work plan and a spill prevention plan to the Environmental Engineer (SPCCP). The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.
- 45.16 All chemical products to be used shall be classified as "Approved" or "Conditional Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises.
- 45.17 The Contractor, upon completion of the Work, must leave all the work area clean,






organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the Work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.

45.18 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.

45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.

 45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).

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

45.22 All Work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.


45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.

45.24 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.

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

45.26 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 in the project. This report will include a copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should

be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.

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- 45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be caused by process or work operations.
- 45.28 The Contractor shall be responsible to obtain all the necessary permits for the proposed activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).
- 45.29 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.
- 45.30 Water flooding of trenches with potable water will not be permitted.
- 45.31 All paints applied by sprayers shall be of a water-based type.
- 45.32 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.
- 45.33 Contractor shall take whatever steps, procedures, or means to prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.
- 45.34 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.

45.35 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.

45.36 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's Work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.



ARTICLE 46: Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes, tests, and inspections for design, fabrication, cleaning, installation, packing, handling,



shipping, long term storage, when necessary, and test equipment are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and properly implemented.


The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.

ARTICLE 48: Compliance with the Commonwealth of Puerto Rico Contracting Requirements

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.

- A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico:



Pursuant to Executive Order No. 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor will certify and warrant 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. 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.

C. Government of Puerto Rico Municipal Revenue Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Revenue Collection Center (MRCC). The Contractor shall provide, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by MRCC, assuring that Contractor does not owe any tax accruing to such governmental agency. The Contractor will deliver upon request any documentation requested by PREPA. During the Term of this Contract, the Contractor agrees to pay and/or to remain current with any repayment plan agreed by the Contractor with the Government of Puerto Rico with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by 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 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.

- D. The Contractor shall provide a Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.
- E. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
- F. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores (ASUME)*).
- G. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.
- H. The Contractor shall present a Good Standing Certificate issued by the Puerto Rico Department of State.
- I. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.
- J. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required





by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda de Puerto Rico*). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

K. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.

L. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, as amended, known as the Ethics Act of the Government of Puerto Rico (Act 1-2012), which stipulates that no employee or executive of PREPA nor any member of his/her immediate family (spouse, dependent children or other members of his/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 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.;

M. Act 168-2000: Law for the Strengthening of the Family Support and 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 168-2000, as amended, the same is current and in all aspects in compliance. Act 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.

N. Act 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act:

Payment for services object of 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 Act. No. 18 of October 30, 1975, as amended.

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

P. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.

Q. Anti-Corruption Code for a New Puerto Rico: 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 Puerto Rico (Act 2-2018). 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.

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 (Act 8-2017) or any of the crimes included in Act 2-2018.


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, 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.





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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code (Act 146-2012), 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.

R. 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.

S. Prohibition with respect to contracting with officers or employees: (3 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.

T. 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.

U. Prohibition with respect to evaluation and approval by public officers: (3 L.P.R.A. § 8615(f)):

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.

V. Prohibition with respect to execution by public officers contracts with 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.

W. Provisions Required under Act 14-2004: 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, if they are available.



X. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor expressly agrees that the conditions outlined above and 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 enough cause for PREPA to terminate this Contract.

ARTICLE 49. Novation

The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the




Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

ARTICLE 50: Term of Contract

This Contract shall be in effect for a period of four hundred ten (410) days from its execution by all Parties.

ARTICLE 51: Correlation of Documents

In case of discrepancy or in the event of conflict among the different Contract documents such as: Contract and the Contractors Proposal, these shall take precedence in the order given. The terms and conditions contained in the Contract shall prevail over any  conflicting terms and conditions contained in the Contractor's Proposal.

ARTICLE 52: Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico

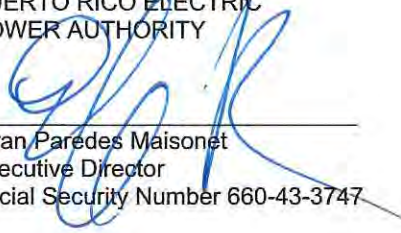
The Parties acknowledge that the Contractor has submitted the certification titled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico, effective as of November 6, 2017 and amended on October 30, 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 53: Complete Agreement


This document, together with all attachments referenced herein, constitutes the complete agreement between the Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract this 30 day of april of 2021, in San Juan, Puerto Rico.

PUERTO RICO ELECTRIC  
POWER AUTHORITY

  
\_\_\_\_\_  
Efran Paredes Maisonet  
Executive Director  
Social Security Number 660-43-3747

CONTRACTOR

  
\_\_\_\_\_  
Jorge L. Ramos Ortiz  
President  
Social Security Number 660-23-5446

## Puerto Rico Electric Power Authority

### Contractor Certification Requirement

The following certification shall be provided to the Puerto Rico Electric Power Authority 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 contract<sup>1</sup> is (are) the following:

<b>Subcontractor</b>	<b>Principal or Owner</b>	<b>Role</b>	<b>Amount Payable</b>
Gabriel Fuentes Jr. Construction	Jorge J. Fuentes	President	\$376,280
Sunset Contractors	Basilio Ramos	President	67,875
Koma Construction	Osvaldo Aranda	Partner	599,444
Lord Construction	Narciso Rabell	President	58,900

2. Neither the contractor nor any of its owners,<sup>2</sup> 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:

- **Does Not Apply.**

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

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

<sup>2</sup>For 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.



Contractor Certification Requirement

Page 2

contractor, beneficial treatment under the contract, or the written or unwritten promise of a gift, favor, or other monetary or non-monetary benefit).

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 sub-contractors, 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 Puerto Rico Electric Power Authority any amounts, payments or benefits received from the Puerto Rico Electric Power Authority 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: Jorge L. Ramos, Jr., MSCE, PE

Date: Apr. 22, 2021

Signature:  \_\_\_\_\_

**SECTION 15010  
SPECIAL CONDITIONS**

**PART 1 - GENERAL**

**1.1 RELATED DOCUMENTS**

A. This section includes: PREPA drawings, general contract provision, supplementary conditions and other technical sections.

- a) Project Drawings for new tank and pile cap extension
  - i. T-1 – Title and Index Sheet
  - ii. Site -1 Drawing
  - iii. DS-100 – Demi Tank 1 & 2 Base Demolition Base
  - iv. P-01 – New Pipe Flex Connections and Support Connections
  - v. S-100 – General Notes & As-Built Tank Details
  - vi. S-101 – New Extension Foundation Base Pile Distribution
  - vii. S-102 – Grading and Retaining Wall Location and Details
  - viii. S-103 – Demi Tanks 1 & 2 Anchor Bolts Location
  - ix. S-104 – Demi Tanks 1 & 2 Longitudinal Section
  - x. S-105 – Demi Tanks 1 & 2 Transversal Section
  - xi. S-106 – Demi Tank 1 Anchor Chair Elevation & Details
  - xii. S-107 – Demi Tank 2 Anchor Chair Elevation & Details
  - xiii. S-108 – Pile Cap Extension and Steel Stair Structural Details
  - xiv. S-109 – Pile Cap Extension Steel Stair Structural Details
  - xv. C-101 – Existing Topography and Grading Plan
  - xvi. C-102 – Erosion and Sedimentation Control Plan
  - xvii. C-103 – Erosion and Sedimentation Control Plan Details

B. The following additional sections are part of this specification:

- a) Section 02110 – Site Clearing
- b) Section 02200 – Earthwork
- c) Section 09900 – Paint
- d) Section 15456 - Hazard Material Procedure Handling
- e) Section 15457 – Confined Space
- f) Section 03300 – Cast-In Place Concrete

- g) Section 03370 – Grouting
- h) 05100 – Structural Steel Framing
- i) 05500 – Metal Fabrication and Casting

## 1.2 SUMMARY

- A. Scope of work: This is Construction Repair Project. Contractor shall provide all labor, supervision, materials, equipment, insurances and bonds, municipal taxes, engineering, design (if necessary), permit works required to successfully repair two (2) demineralized water tanks #1 and #2 at the South Coast Steam Plant. The work required includes concrete works for the extension to existing pile cap, the installation of foundation piles, repair existing earth embankments underneath the tanks, as-built drawings, hydrostatic testing, coating application works. The existing tanks are 48'-0" diameter and 40'-0" high. Contractor shall be responsible for all required rigging and safety. Also, the Contractor shall be responsible for the appropriate stores of the coatings, grit blast material and equipment. The project shall be completed in **350** consecutive days.

## 1.3 QUALITY ASSURANCE

- A. **Proponent Qualifications:**
  - a) **Proponents shall be included in PREPA's Materials Management Division Suppliers Register.**
  - b) **No proposals shall be submitted by or accepted from any Proponent, including any of its subcontractors or partners, known to have defaulted on any contract (PREPA's or other Owner) on the last five years before the date of RFP 2983 publishing date. Any Proposal not complying with this requirement shall have the effect of disqualification of the Bidder/Proponent.**
  - c) **No proposals shall be submitted or accepted from any Proponent, including any of its subcontractors or partners, known to have had, or to be on an execution of a performance or payment bond (PREPA's or other Owner) on the last five years before the RFP2983 publishing date. Any Proposal not complying with this requirement shall have the effect of disqualification of the Proponent.**

- d) **No proposals shall be submitted or accepted from any Proponent, including any of its subcontractors or partners, known to have had abandoned a project (PREPA's or other Owner) without completing all tasks and obligations included on the contract.**
  - e) **The Contractor shall not subcontract to any company known to have defaulted on any contract, or in a process of execution of a payment or performance bond (PREPA's or other Owner) on the last five years before the Contract's approval date.**
- B. All works shall be performed in a safe and workmanlike manner and in conformance with Codes, Standards, Local Rules, Regulations and Ordinances, etc. of government agencies having jurisdiction, including but not limited to the following:
- a) The Environmental Protection Agency (EPA).
  - b) The Office of Safety and Health Administration (OSHA) requirements.
  - c) ACI -318 (latest revision).
  - d) Natural & Environmental Resources Department
  - e) American Petroleum Institute API - 2610 Design, Construction Operation, Maintenance & Inspection of Terminal and Tank Facilities.
  - f) NFPA-30- Flammable and Combustible Liquid Code
  - g) 29 CFR 1910, 40 CFR 112 (latest revision)
  - h) American Society for Testing and Materials, ASTM.
  - i) EPA NPDES Permit for South Coast Steam Plant.
- C. All analysis shall be made by a PREPA approved laboratory.
- D. **Contractor shall have on the project at all time a Project Manager with the at least ten (10) year experience on civil and concrete construction projects. The Project Manager must be a professional engineer with a License to practice in Puerto Rico and a member of the College of Engineers and Surveyors of Puerto Rico.**

#### 1.4 REQUIRED DOCUMENTS

- A. Proponents shall submit evidence of required experience of at least five (5)

years in related works (Title of Project, Year, Owner, Phone-Number). The required experience shall be a list of similar projects (past or ongoing) where the following conditions are or were met:

- a) Sandblasting of metal surfaces and capacity (CFM) of the compressor used for the work.
  - b) Use of airless spray or plural component equipment. Specify if equipment was rented or own by the company.
  - c) Pile Installation and design.
  - d) Concrete works.
- B. Contractor shall provide a work schedule for the project. This schedule will be reviewed and approved by the prior to commencing work.
- a) General Requirements – As required in the Agreement a project baseline schedule as described below shall be prepared and submitted to the PREPA for evaluation and approval. The schedule for the construction shall be responsibility of the Contactor. Thus, the Contractor's management personnel shall actively participate in its development. Subcontractor shall also contribute in developing and maintaining an accurate project schedule. The approved project schedule shall be used to measure the progress of the work to aid in evaluating time extensions and to provide the basis of all progress payments.
  - b) Basis for payment – The schedule shall be the basis for measuring the Contractor progress. Lack of an approved updated schedule will result in an inability of PREPA to evaluate Contractor's progress for the purposes of payment. Failure of the Contractor to provide all information as specified below shall result in the disapproval of the entire project schedule and the inability of PREPA to evaluate the Contractor's progress for payment purposes. In the case where the project schedule revisions have been directed by PREPA and those revisions have not been included, PREPA may retain the monthly payment until revisions have been made.
  - c) Project schedule – The project schedule shall be prepared with the Microsoft Project 2010 software with all required specifications, in Gantt chart view. Failure of the Contractor to meet the requirements of these specifications shall result in the disapproval of the project schedule. Once the baseline have been evaluated and approved by PREPA, Contractor shall submit a copy of this baseline in CD.

- d) Critical path method – The Critical Path Method (CPM) of the network calculation shall be used to generate the project schedule. The Contractor shall also provide the project schedule in the Precedence Diagram Method (PDM).
- e) Level of detail required – The project schedule shall include the appropriate level of detail. Failure to develop, revise or update the project schedule or provide data to PREPA at the appropriate level of detail, as specified by PREPA, shall result on the disapproval of the schedule. PREPA will use, but not limited to, the following conditions to determine the appropriate level of detail to use in the project schedule.
  - i. Activity durations – Contractor submissions shall be based on reasonable activity durations. Reasonable durations are those that allow the progress of activities to be accurately determine between payments periods.
  - ii. Permit activities – Permitting activities, including the necessary conferences and follow-up actions shall be integrated in the project schedule.
  - iii. Procurement activities – Tasks related to the procurement of long lead materials or equipment shall be included as separate activities in the project schedule. Long lead materials and equipment are those materials that have a procurement cycle of over 90 days. Example of procurement process activities include, but are not limited to: submittals, approvals, procurement, fabrication and delivery.
  - iv. Critical activities – Progress schedule shall show the critical activities in red. Critical Activities are defined as those whose floating time are zero and that a delay in the activity will cause a delay in the project completion date.
  - v. Government activities – Government and other agency activities that could impact progress shall be shown. These activities include, but not limited to: approvals, design reviews, environmental permits approval, other permits, inspections, utility tie in, government furnished equipment, etc.
  - vi. Responsibility – All activities shall be identified in the project schedule by the party responsible to perform the work. Responsibility includes, but not limited to, the subcontracting firm, contractor work force, or government agency performing a given task. Activities shall not belong to more than one responsible party.



- vii. Modification or claim number – Any activity that is added or changed by contract modification or used to justify claimed time shall be identified by a claim code that changed the activity. Activities shall not belong to more than one modification or claim item. Whenever possible changes shall be added to the schedule by adding new activities. Existing activities shall not normally be changed to reflect modifications.
- viii. Project scheduled completion – The schedule interval shall extend from the Notice to Proceed (NTP) to the contract completion date.
- ix. Project start date – The schedule shall start not earlier than the date on which the NTP was acknowledged. The Contractor shall include as the first activity in the project schedule an activity called “Start Project”. The “Start Project” activity shall have an Early Start (ES) constraint date equal to the date that the NTP was acknowledged and zero-day duration.
- x. Constraint of last activity – Completion of the last activity in the schedule shall be constrained by the contract completion date. Calculation on project updates shall be such that if the early finish of the last activity falls after the contract completion date, then a float calculation shall reflect a negative float on the critical path. The Contractor shall include as the last activity in the project schedule an activity called “End Project”. The “End Project” activity shall have a Late Finish (LF) constraint date equal to the completion date for the project and zero duration date.
- xi. Early Project Completion – In the event the project schedule shows completion of the project prior to the contract completion date, the Contractor shall identify those activities that have been accelerated and/or those activities that are scheduled in parallel to support the Contractor’s “early” completion. Contractor shall specifically address each of the activities noted in the narrative report at every project schedule period to assist PREPA in evaluating the Contractor’s ability to actually complete prior to the completion date of project in the contract.
- xii. Interim completion dates – Contractually interim completion dates shall also be constrained to show the negative float if the early finish dates of the last activity in that phase falls after the interim completion dates.

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at the Costa Sur Power Plant, RFP 2983 (Req.241576)

- f) Default progress date disallowed – Actual Start and Finish dates shall not be automatically updated by default mechanism that may be included in CPM in the scheduling software system. Actual Start and Finish dates shall match those dates provided from the Contractor Quantity Reports. Updating the percent completed and the remaining duration of any activity shall be independent functions. Program features which calculate one of these parameters from the others shall be disable.
- g) Out of sequence progress – Activities that have posted progress without all preceding logic being satisfied will be allowed in a case-by-case approval of PREPA. The Contractor shall propose logic corrections to eliminate all out of sequence progress or justify not changing the sequencing for approval prior to submitting the updated project schedule.
- h) Negative lags – Lag durations contained in the project schedule shall not have a negative value.
- i) Project schedule submission – The project schedule, defining, the Contractor's planned operations, shall be submitted for approval within five (5) calendar days of the NTP.
- j) Periodic schedule updates – The Contractor shall submit at least a weekly schedule update. This submission shall enable PREPA to assess the Contractor's progress. If the Contractor fails or refuses to furnish the information and project schedule data, which in judgment of PREPA is necessary for verifying the progress, PREPA may retain payment until the requirement have been completed.
- k) Schedule revisions – Shall be required whenever the Critical Path change, any time extension or extra work is added to the contract.
- l) Narrative report (Schedule Basis) – A detailed narrative report shall be provided with the project baseline schedule and each update of the project schedule, this document shall comply with AACE International Recommended Practice No. 38R-06, latest version. This report shall be provided as a basis of the Contractor's progress payment request. The narrative report shall include: a description of the activities along the most critical path, a description of current and anticipated problems areas or delaying factors and their impact. The narrative report is expected to relay to the Authority, the Contractor's thorough analysis of the schedule output and its plan to compensate for any problems, either current or potential, which are revealed through that analysis. This narrative report shall also include a detailed description of crews to be use in the project, list of equipment, list of all personnel with position title and description of its responsibilities or duties.

- m) Approved changes verifications – Only project schedule changes that have previously approved by PREPA shall be included in the schedule submission. The narrative report shall specifically reference, on an activity by activity basis, all changes made since the previous period and related and relate each change to documented, approved schedule changes.
- n) Schedule reports – The format for each activity for the schedule report shall contain: activity number, activity description, original duration, remaining duration, early start date, early finish date, late start date, late finish date, total float. Actual start date and actual finish date shall be printed for those activities in progress or completed.
- o) Network diagram – The network diagram shall also be required on the initial schedule submission and on the monthly schedule update submissions. The network diagram shall depict and display the order and the interdependence of activities and the sequence in which the work is to be accomplished. PREPA will use, but is not limited to the following conditions to review compliance with this paragraph:
  - i. Continuous flow –Diagrams shall show a continuous flow from left to right with no arrows from right to left. The activity number, description, duration, and estimated earned value shall be shown on the diagram.
  - ii. Project milestones dates – Dates shall be shown on the diagram for start of project, any contract required interim date completion and contract completion dates.
  - iii. S-curves – Earnings curves showing projected early and late earnings and earning to date. Contractor shall also include a table including the following information for every month: actual payment accumulation, actual monthly payment, actual percentage (comparing with contract total), baseline payment accumulation, baseline monthly payment, baseline payment accumulation, and difference between actual and baseline percentages payment accumulation.
  - iv. Logic report – A list of preceding and succeeding activities for every activity, in ascending order by activity number. A blank line shall be left between and activity grouping.

- v. Activity report – A list of all activities sorted according the activity sorted according the activity number. Each activity shall include the labor-hour effort.
  - vi. Total float report – Monthly, a list of all uncompleted activities, sorted in ascending order of total float.
- p) Periodic progress meetings – PREPA will coordinate progress meetings to discuss payments shall include a monthly on site meeting or other regular intervals mutually agreed to at the pre-construction meeting. During this meeting the Contractor shall describe, on an activity by activity basis, all proposed revisions and adjustments to the project schedule required to reflect the current status of the project. PREPA will approve activity progress, proposed revisions and adjustments as appropriate.
- q) Meeting attendance – The Contractor’s Project Manager, Resident Engineer and scheduler shall attend the regular progress meetings coordinated by PREPA.
- r) Update submission following progress meeting – A complete update of the project, revisions and adjustments, based on the regular progress meeting, and shall be submitted by Contractor not later than five days after the monthly progress meeting. Update information, including Actual Start Dates, Actual Finish Dates, Remaining Duration, list of total float per task, days of delays accumulated, explanation of tasks that are been executed and contractor shall address the following items on an activity by activity basis, during each progress meetings.
- i. Start and finish dates.
  - ii. Time completion – Shall be based on remaining duration of each activity.
  - iii. Change orders – All changes pertaining change orders to be incorporate into the sequence progress, lag durations, and other changes that have been made pursuant to contract provisions shall be specifically identified and discussed.
  - iv. Other Changes – Delays beyond the Contractor’s control, such as strikes, unusual weather, delays due to submittals, government activities or work stoppages which make re-planning the project schedule shall be specifically discussed.

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- s) Time extensions – In the event the Contractor requests an extension of the contract completion date or any interim milestone date, the Contractor shall furnish the following for determination as to whether or not he is entitled to an extension of time under provision of contract: detail justification explanation, updated project schedule data, and supporting evidence as PREPA may deem necessary (such as evidence that the Contractor comply with notification requirements, that has no responsibility of the delay, etc.). Submission of proof of delay, based on revised activity logic, duration shall be obligatory to any approvals. No approval for time extension shall be evaluated if the float for the activity hasn't been fully used.
- t) Justification for delay – The project schedule shall clearly display that the Contractor has used in full all the float time available for the work involve with the request. PREPA's determination as to the number of allowable days of contract extension shall be based upon the project schedule updates in effect for the time period in question and other factual information. Actual delays that are found to be caused by the Contractor's own actions, which result in the extension of the schedule, will not be a cause for time extension to the contract completion date.
- u) Submission requirements – The Contractor shall submit a justification for each request for a change in the contract completion date as per contract requirements, shall include as a minimum the following:
  - i. A list of affected activities, with their associated schedule activity number, remaining float per task.
  - ii. A brief explanation of all the causes for the change.
  - iii. An analysis of the overall impact of the changes proposed.
  - iv. A sub-network of the affected areas.
  - v. Activities impacted in each justification for change shall be identifying by a unique activity code.
- v) Additional submission requirement – For any requested time extension over two weeks, PREPA may request an interim update with revised activities for a specific change request. The Contractor shall provide this disk within four days of PREPA's request.
- w) Ownership of float – Float time available in the schedule, at any time, shall not be considered for the exclusive use of either the Authority or the Contractor. Float is for the benefit of the project.

- x) Project schedule general provisions
  - i. Project schedule shall include all scope of the contract.
  - ii. Every activity shall have, at least, one predecessor and one successor.
  - iii. Project schedule shall have at least one critical path.
  - iv. Change short negative finish-to-start (FS) tie to a short positive start-to-start (SS) tie.
  - v. Change long negative finish-to-start (FS) tie to a finish-to-finish (FF) tie.
  - vi. Change a long start-to-start (SS) tie to a finish-to-start (FS) tie.
  - vii. Change a long finish-to-finish (FF) tie to a finish-to-start (FS) tie.
- C. Safety Data Sheets (SDS) of all chemical products required for the project shall be submitted for approval to the Hazard Communication Section at the Safety Division of PREPA. Once approved the Contractor shall keep a copy of the MSDS on the site.
- D. Contractor shall provide submittals for the products specified in each of the Technical Specifications.
- E. The Contractor shall provide any technical reference manuals or operational and maintenance information available, for any equipment being installed.
- F. Contractor shall submit for evaluation, a site specific Work Plan, including how to comply with the applicable environmental, safety and health regulations. Before the commencement of work, the Contractor shall participate in a meeting with PREPA's Safety Officer and the Project Manager, for a job briefing and a visit to the work area.
- G. Contractor shall submit results of all laboratory tests required.
- H. The Contractor shall submit its COVID-19 Management Plan for contagion risks, as required by OSHA. In addition, it will present evidence of the self-certification submitted to the Department of labor and human resources.

The contractor will be responsible for ensuring that employees, material providers and subcontractors working on the Premises of the Power Plant



present the negative results of the COVID-19 with less than 5 days of having done it.

Contractor employees and subcontractors must wear a mask and maintain social distancing, while on the premises of the Power Plant, they will also comply with the protocol of security measures of the Power Plant.

- I. **Proponents shall submit evidence of required experience of the Project Manager requested on Article 1.3.D, Quality Assurance of at least ten (10) years in related works. The required experience shall be a list of similar projects (past or ongoing). Proponent not submitting the required information shall be considered non respondent.**
- J. **Contractor shall submit all Technical Submittals on the first thirty (30) days after the Notice to Proceed.**

#### 1.5 RECORD DRAWINGS

- A. Contractor shall keep, at the site of work, a complete set of drawings for the purpose of noting thereon on a continuous basis, all field changes during construction. Changes will be marked in red.
- B. This set of provisional record drawings will be kept up to date with all changes noted thereon, and they shall be submitted for the inspection and approval of the Engineer, when requested.
- C. Upon termination of the installations, record drawings will be delivered through the Engineer to the Design and Drawing Department showing all as-built condition before final liquidation of Contract.

#### 1.6 GENERAL REQUIREMENTS

- A. It is the responsibility of the Contractor to coordinate with the Engineer the presence of any underground existing facilities, such as electrical conduits, cables, fuel lines, water lines, etc., which could be affected during construction.
- B. Contractor shall coordinate with the plant's Operations Manager and with the Engineer the schedule for performing works as specified and required.
- C. Maintaining plant operations of the power generation units is a priority for PREPA, so it shall be considered as an essential condition of this contract. As such, contract works cannot expose conflict with normal plant operations and is the responsibility of the Contractor to coordinate with the Engineer a work program that provides normal operation of the plant during project progress.

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The operational scheme for unit operations and determination on whether or not a unit is in service or out-of-service relies solely on PREPA, so any order by PREPA to stop contractor works or any delay related to PREPA granting availability of any area, equipment or material shall be considered as a foreseeable event.

- D. In the event contractor is unable to perform works due to any operational, maintenance, security or safety related determinations by PREPA, contractor's only remedy shall be an extension of time for performing his contract obligations.
- E. Contractor works to be performed close or adjacent to any facility or equipment in service shall be coordinated with the Engineer and the site's Operations Manager. Full access to PREPA personnel to all areas in service or available for being in service shall be guaranteed at all times by contractor.
- F. Before start working the Contractor shall meet with designated health and safety personnel to establish specific safety and health precautions.
- G. It is the intention of these specifications and drawings to develop the work until the project is completed. That the necessary tests are done and the system is left operational. The Contractor is responsible for any details that usually are not found in the drawings or specifications provided by PREPA, as there shall be a final design, certified issued for construction drawings under the full responsibility of the Contractor and approved by PREPA. Said details shall be included in the work, just as the ones specified and shown in the drawings.
- H. The Engineer can reject all materials and work done by the Contractor not according to the provided drawings, specifications or contract. The Contractor will replace all the material and perform the necessary labor to correct the work or rejected material at his own cost, to the Engineer's satisfaction.
- I. If any errors or omissions occur, the Contractor shall notify the Engineer prior to submitting his proposal, so the necessary revisions or adjustments are made.
- J. It is the Contractor's responsibility to certify that documents submitted for approval does not deviate from the contract specifications. Any deviation or change not indicated in writing by the Contractor should automatically invalidate PREPA's seal of approval for that particular document.
- K. All work performed under these Specifications shall be done in a safe and workmanlike manner and in strict conformance with all local rules regulations and ordinances, etc. The Contractor shall use all necessary safety equipment, such as reflected jackets, safety cones, and safety warnings at the work site

near road areas and vehicle traffic.

- L. All proposals must be completed in the prescribed format for the purpose of basic comparison and evaluation. Additional or separate data, however, which each Proponent may wish to present for clarification or amendment will be accepted without prejudice to the basic proposal, and will be considered in its applicable context.
- M. It shall be the Proponent's singular and sole responsibility to visit the job-site and to acquire whatever data is necessary for preparation of his/her Proponent's proposal, to meet the obligations and warranties to the Authority, as detailed in these Specifications. This activity shall be accomplished at the Proponents own initiative, time and expense, and at no charge or expense to the Authority. Prior to submitting a proposal, the Contractor informs himself of all local conditions which might affect his performance of the work. Such conditions shall include, but are not limited to: site operation schemes and procedures, workmen's facilities, location of central points, access to the site, available utilities, and disposal areas of excavated materials, uncertainty of weather (including historic weather data), and all other contingencies.
- N. Contractor shall provide, at its own cost, a soil and concrete testing laboratory and for the quality control testing during construction. Soil testing laboratory shall test and approved fill material, subgrade, fill layers, compaction, etc. All tests shall be certified by the professional (Professional Engineer) required (including seal and signature) and the original document shall be submitted to PREPA for its record. As well, all certification prepared by the Geotechnical Engineer shall be include seal and signature and shall be submitted to PREPA for its record.
- O. Contractor shall provide the services, at its own cost, of a Puerto Rico licensed Surveyor, member of the "Colegio de Ingenieros y Agrimensores de Puerto Rico" (CIAPR). This professional shall be on site at all times.
- P. Contractor shall Contractor shall submit to PREPA the results of all Surveyor's data and any calculation, all sign and sealed by the professional performing such tests.

## 1.7 TEMPORARY FACILITIES

- A. Contractor's Field Office
  - a) The Contractor's field office shall be of such construction as approved by the Engineer. A temporary telephone shall be installed and maintained during the extent of the construction time by the Contractor. The Authority shall issue orders and directions to the Contractor at this field

office.

- b) The location of the construction offices and the preparation of the general area will be as specified by the Engineer.
- c) The Contractor shall maintain proper communication between his field office and his field personnel. Failure to maintain said communication shall be considered just cause to withhold any or all payments due to the Contractor until said communications are restored.

**B. Light and Power**

- a) The Contractor shall furnish and install immediately upon the start of the work and shall maintain for the duration of the construction period, adequate temporary light and electric power as required, for his own use and for the use of all trades, subcontractors, and separate contractors, in connection with the work. This installation shall be made in accordance with the National Electrical Code and as directed by the Engineer.
- b) The Contractor shall provide at his expense for all electric power consumed for the illumination, power testing of all equipment, and other fringe expenses and service charges.

**C. Sanitary Conveniences**

- a) The Contractor shall provide temporary sanitary conveniences for use of the Contractor's employees and the employees of all trades, subcontractors, and separate contractors at the site and maintain them in a sanitary condition until the completion of the work. Said facilities shall meet the approval of the Puerto Rico Board of Health.

**D. Water**

- a) The Contractor shall make the necessary arrangements and provide all water required during the entire construction period. The cost for temporary water shall be borne by the Contractor, except for that used in the hydrostatic test. Also, shall prevent the use of water for cleaning purposes. The uses of dry-cleaning techniques (absorbents wipe and vacuum) are necessary for the pollution potential of the NPDES discharges. This is a BMPP requirement.
- b) Under any circumstance the liquids will be discharge to the ground. This includes purge lines before any repair. There will not be any discharge of chemical products and hydrocarbons to the discharge system, not to cause any deviation to the NPDES permit.

E. Scaffolds, Staging, and Safety Devices

- a) The Contractor shall provide, erect, maintain, and remove when directed, all scaffolding, staging platforms, temporary turn ways, temporary flooring, guard railings, stairs, etc., as required by local and state codes, or laws, for the protection of workmen and the public.
- b) The construction, inspection, and maintenance of the above items shall comply with all safety codes and regulations as applicable to the project.

F. Access to Facilities

- a) Maintain at all times all access roads to the project reasonably free of accumulated mud and/or debris. Special note must be taken to the fact of little space availability. The Contractor shall note this and program his site activities accordingly. Additional space if need will be provided by the Contractor at his cost in other facilities.

1.8 STANDARDS FOR EQUIPMENT AND MATERIALS

- A. All materials and equipment described or found necessary for the installation shall be new, free from defects, and shall be listed by Underwriters Laboratories, Inc., and by the American Water Works Association as conforming to their standards in every case where such standard has been established for the particular type of material in question. The Engineer shall approve all materials and equipment.
- B. Equipment and materials shall be properly stored, protected and carefully handled, following the manufacturer's recommendations, to prevent damage before and during installation. Damaged or defective items shall be replaced at no cost to PREPA.
- C. Any equipment, material or work performed without the Engineer's approval or in disagreement with the drawings, specifications or the contract, may be rejected. The Contractor shall replace, or repair rejected equipment or labor at his expense as recommended by the Engineer.
- D. The Contractor shall furnish the services of an experienced licensed Engineer who shall constantly be in charge of the work together with skilled workmen, fitters, helpers, and labor required to properly unload, transfer, erect, connect, adjust, start, operate, and test the system. Work shall be performed in a workmanlike manner, shall present a neat and mechanical appearance when completed, and shall be subject to the approval of the PREPA.

- E. Materials or equipment to be supplied by the Contractor shall be subject to the approval of the Engineer. Valves and piping shall be from U.S. Manufacturers.

#### 1.9 PROGRESS REPORTS

- A. Contractor shall submit to the Engineer a weekly progress report with the following information:
  - a) Dates of completion for activities that have been completed since the last report.
  - b) Days remaining for in-progress activities.
  - c) Changes to reflect variations from or modifications to the original network plan.
  - d) Project progress evaluation with identification of problem areas.
  - e) Recent photographs showing the work in progress.
- B. At least once a month the PREPA will compare the progress information with the Master Schedule. He will present the results at a progress review meeting with the Contractor, with identification of problem areas, if any.
- C. Contractor shall submit to the Engineer his purchase order numbers, dates, description of the materials involved, and the delivery dates specified. Such information is to be submitted at monthly intervals so that the Engineer will be cognizant of the progress being made by the Contractor in the placing of orders.

#### 1.10 TECHNICAL APPROACH

- A. The Proponent must provide a detailed technical approach to the Project including anticipated activity or methods of analysis and schedule. This section shall be organized to generally follow the arrangement of the items of work and the Scope of Engineering Services.
- B. The Contractor shall provide sample of what will be furnished for this Project.
- C. Submittals and specifications (including As-Built Drawings) must be delivered in both reproducible hard copy on PREPA's standard drawing sheets and computer compatible media (AUTOCAD Version 2012 – Portable Hard Drive). All drawings shall be in English with dimensions in feet and inches.
- D. Proponent/Contractor shall submit the following information. Proponent not



submitting the required information shall be considered non respondent.

a) Proponents:

- i. Abbreviated history of firm.
- ii. Experience of individuals who will perform the work including proof that he has on staff an engineer with at least 5 years of experience in projects with the same characteristics.
- iii. Evidence of Experience required on Article 1.4.A.

b) Contractor:

Two (2) weeks or less after receiving the order to proceed, if it applies.

- i. All physical outlines as required to show overall size and space requirements (including dismantling and maintenance) and the interrelationship of the various components.
- ii. Cross sections and details required to satisfy the Authority that all components conform to specification requirements including design and physical arrangement.
- iii. Equipment drawings showing weights and foundation details.
- iv. Vendor catalog data, drawings, details, etc.
- v. All information required by Authority for design and location of all connecting Authority-furnished electrical items, such as cables, conduits, etc.
- vi. Outline drawings showing general arrangement of systems and approximate dimensions of equipment and materials proposed.

Three (3) weeks or less after receiving order to proceed, if it applies.

- vii. Bill of material
- viii. Calculations and approval drawings.
- ix. Installation, operating, testing, commissioning and maintenance instructions
- x. Spare parts and special tools listing

Two (2) weeks after completion of each system.

xi. Record Prints

- E. Contractor's shall submit a construction plan based in the Construction Installation Package (CIP) provided by PREPA. The plan shall allow for the appropriate sequencing to ensure maximum plant operation and the most efficient execution throughout the construction phase. The Contractor shall assure The Authority that all aspects of construction have been detailed and staged to be completed within the period allocated.
- F. The Contractor shall finalize and submit to the Authority
  - a) Master construction schedule.
  - b) Final hardware fabrication schedule and a list of any factory tests required for the equipment.

#### 1.11 FORCE ACCOUNT

If the Engineer and Contractor are unable to negotiate a price for any Changes and/or Extra Work in accordance with Article 7 of the Construction Contract the Engineer may direct the Contractor to perform all or part of the revised Work on a force account basis. When the Engineer directs the Contractor to perform revised Work on a force account basis, PREPA will pay the Contractor as specified hereon:

A. Labor

PREPA will compensate the Contractor for labor at the actual rate of wage paid and shown on the payroll for every hour that the labor and foreman are actually engaged in the revised Work, plus an additional 15 percent for field and home office overhead costs and profit.

The foreman must be in direct charge of the specific operations and must be at the Project Site in order to be included in this compensation. Unless already included in the wage rates paid, the Contractor will also receive the actual labor-related costs incurred by reason of subsistence and travel allowances, health and welfare benefits, pension fund, or other fringe benefits, provided those payments are required by collective bargaining agreement or other employment contract generally applicable to the classes of labor employed on the Work.

The Department will prorate the wages of any foreman who is employed partly on the revised Work and partly on other Work. The Department will determine the prorated wage based on the number of workers employed on each class of Work as shown by the payrolls. The Department will prorate any subsistence or travel allowances paid to the foreman on the same basis as the prorated direct wages.

B. Materials

PREPA will pay the Contractor the actual cost of acceptable Materials delivered and used in the revised Work, including transportation charges paid by the Contractor (exclusive of equipment rentals), plus an additional 15 percent for field and home office overhead costs and profit.

C. Equipment

PREPA will pay the Contractor for Equipment at the rental rates agreed by both parties and effective on the date the two parties execute the force account agreement. This compensation is for Equipment, fuel, and lubricants, transportation that the Engineer authorizes and the Contractor uses on the Project, plus an additional 15 percent for field and home office overhead costs and profit. PREPA will not pay for small tools. PREPA will pay for the actual time the Equipment is in operation on the revised Work, plus travel time or transportation allowances.

If the Equipment is moved to and from the location of the revised Work under its own power by PREPA's request, PREPA will pay for the travel time at the above rental rates.

#### 1.12 DELIVERY, HANDLING AND STORAGE

- A. Products will be delivered to the project, properly identified with name, type, and other necessary information for its identification.
- B. Contractor will be responsible for the delivery, unloading, storage and handling of the materials or equipment to be used in the project, and maintaining them in optimal conditions.
- C. Materials will be stored in an adequate area that satisfies the Engineer. The storage area will remain clean, in optimal conditions and free of hazards.
- D. Contractor will coordinate site storage and rubbish disposal areas with the Engineer.
- E. Equipment will be packed in suitable crates and boxes. Straps will be provided

for full protection of equipment from damage during transit.

- F. Protect stored pipes, fittings, flanges and valves from moisture and dirt by covering with durable, waterproofing tarpaulins if necessary.

#### 1.13 SAFETY PROVISIONS

- A. The Contractor shall comply with the following minimum requirements of a health and safety program:
  - a) The plan shall have its own loss control program.
  - b) It shall include an accident or incident investigation procedure.
  - c) It will describe procedures for compliance with requirements of all applicable regulations included in the 29 CFR. The Program latest revision date shall not be greater than a year from the projects commencement date.
- B. The PREPA's auditing committee shall approve the program, as a requirement to be included in the Evaluated Suppliers Registry.
- C. Plan shall include the following:
  - a) Plan shall include contingency procedures that include how to proceed in an emergency situation, during an accident, in case of an atmospheric disturbance, in case of fire and spill.
  - b) Copy of all training certificates, licenses or certifications required, according to the scope of work. For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc.
  - c) Copy of the Material Safety Data Sheets (MSDS) of all chemical products to be used during the project, for evaluation and approval by the Occupational Safety and Health Office at PREPA (Hazard Communication Section). All chemical products must be approved by PREPA.
- D. Services including the application of chemical products within closed spaces, like buildings, will be offered between Monday and Sunday AFTER PREPA's WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before PREPA personnel is to reoccupy. All these will be done in coordination with the local supervisor of PREPA. Services in exterior parts of PREPA can be done during regular

working hours.

- E. The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, after completion of work. Any remaining construction material shall be removed from PREPA facilities within 24 hours. If the contractor not able to dispose of the materials it shall move to an area protected from the elements.
- F. Before commencement of work, the Contractor shall take part in a coordination meeting with a Safety Officer, an Environmental Control Supervisor and the project manager on PREPA's behalf. During this meeting the site-specific work plan will be discussed and reviewed, including the safety rules and the environmental protection procedures to be followed. Also, a tour of the areas to be worked on will take place.
- G. All chemical products to be used shall be classified as Approval or Conditionally Approval by PREPA's Substances and Waste Management Department and Hazard Communication Section.
- H. Welding operations will comply with the requirements of OSHA, ANSI and NFPA.
- I. 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.
- J. 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 on the work and all other persons who may be affected. Also to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.
- K. The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.
- L. The Contractor shall designate a responsible member of his organization at the site whose duty shall be the prevention of accidents, who shall develop and coordinate with the Safety Officer a safety program. This person shall be designated to execute only this duty. He also have the responsibility of conduct and take record of the weekly security meetings with the Contractor's

employees involved in the required works and to report all accidents or incidents occurred during the project duration.

- M. Compliance with all safety provisions by subcontractors shall be the responsibility of the Contractor.
- N. Contractor agrees that it shall perform all work in compliance with federal, state and local occupational safety and health regulations, including but not limiting to hazard communication, and right-to-know laws. In addition, the Contractor agrees to observe the compliance of all precautions stated upon the applicable materials safety data sheets and container labels of all chemicals used in the contracted work.
- O. Contractor will obtain and maintain, during the duration of the contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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 following PREPA personnel: Safety Officer, Environmental Control Supervisor and the Substance and Waste Management Department.
- P. Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of Puerto Rico Electric Power Authority, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.
- Q. Contractor will defend, indemnify and hold harmless, Puerto Rico Electric Power Authority, its employees, agents or assigns for any and all direct liabilities and expenses arising out of noncompliance with safety provision clauses, irrespective of any other terms of this agreement.
- R. Puerto Rico Electric Power Authority may unilaterally terminate this contract upon Contractor's nonobservance of any of the foregoing or for any failure to comply with any of the safety provisions on this Contract upon thirty (30) days of a written notice to Contractor.

#### 1.14 ENVIRONMENTAL PROTECTION CONDITIONS

- A. The Contractor shall exercise every reasonable precaution throughout the life of the project to prevent silting of rivers, streams, sea, ocean, lakes and reservoirs. Construction of drainage facilities as well as performance of other contract work, which will contribute to the control of settlings, shall be carried



out in conjunction with earthwork operations or as soon thereafter as is practicable.

- B. Unless otherwise approved in writing by the Engineer, construction operations in rivers, streams, lakes and reservoirs shall be restricted to those areas where channel changes are shown on the plans and to those areas that must be entered for the construction of temporary or permanent structures. Rivers, streams, lakes and reservoirs shall be promptly cleared of all false work, piling, debris, or other obstructions placed therein or caused by the construction operations. Frequent fording or live streams with construction equipment will not be permitted. Temporary bridges or other structures shall be used wherever an appreciable number of stream crossings are necessary.
- C. Unless otherwise approved in writing by the Engineer, mechanized equipment shall not be operated in live streams except as may be required to construct channel and temporary or permanent structures. The Contractor shall exercise every reasonable precaution throughout the life of the project to prevent pollution of rivers, sea or ocean streams, lakes or reservoirs.
- D. Pollutants, such as chemicals, fuels, lubricants, bitumen, raw, sewage and other harmful waste shall not be discharged into or alongside of rivers, streams, seas, oceans, lakes or reservoirs or into natural or manmade channels leading thereto. The Contractor shall also comply with the applicable regulations relating to the prevention and abatement of water, air and noise pollution among others. The Contractor shall be liable for any fines imposed to PREPA due to the Contractor's noncompliance with any federal or local environmental regulation.
- E. The Contractor agrees to indemnify PREPA for all direct liabilities and expenses arising out of any claim due to an environmental violation, caused by his enterprises during the performance of the contract or by nonperformance of its obligations under the contract.
- F. The Contractor should have available, close to the working area, the necessary equipment to control and pick up any spilling that could occur, during the performance of the work required by the contract. The equipment should include the necessary for the waste disposal.
- G. All equipment to be used in the work area should be free of oil, transmission fluid or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired out of the PREPA site or replace immediately.
- H. The Contractor should dispose of all garbage generated because of this work, according to the environmental regulations. The use of PREPA's garbage

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disposal equipment is not permitted. The removed materials shall be disposed as soon as possible (less than 24 hrs.) in order to avoid exposed materials at open areas. If the materials can't be disposed immediately, the Contractor shall move the materials to a contained and non-exposure area.

- I. Any Chemical product to be used shall be classified Approved by PREPA's Hazard Communications Section before entering the work area of PREPA's premises.
- J. The Contractor shall protect all chemical products to be used against rain or any other weather conditions. Prior to the use of any chemical product, the United States Environmental Protection Agency (USEPA), has to approve the discharge of any toxic substance under the NPDES Permit for each facility. Discharge of any product under the Federal Insecticide, fungicide and Rodenticide Act is prohibited unless specifically authorized under the NPDES Permit. The assistance includes, and is not limited to, any information regarding the process, products and technical issues under EPA's evaluation.
- K. The Contractor shall avoid contaminating air, soil or water with chemical substances or waste material generated because of his work.
- L. As a part of best management practice, the Contractor shall avoid the use of water for cleaning purposes. The use of dry cleaning techniques (absorbents or vacuum cleaning) is necessary to avoid the potential contamination of the NPDES discharges. Also follow the section 12.0 of the Storm Water Pollution Prevention plan (SWPPP) for South Coast Steam Plant. The SWPPP is a requirement of NPDES permit.
- M. All chemical analysis shall be performed by a laboratory included in PREPA's Material Management Division Supplier's Register as companies properly qualified and evaluated by PREPA's Quality Assurance Department to perform this type of work. PREPA's personnel will audit the sampling and disposal of waste material.
- N. "The disposal of hazardous waste material (if any) shall be done in a PREPA approved Treatment, Storage, Disposal Facility (TSDF).
- O. The Contractor shall comply with all environmental laws and regulations related to water, soil and air quality.
- P. The Contractor shall comply with all arrangements established in the Consent Decree between PREPA and Environmental Protection Agency.
- Q. All work shall be performed according to the Storm Water Pollution Prevention plan (SWPPP) for South Coast Steam Plant, which is part of the Special

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Conditions of the NPDES permit.

- R. The Contractor will be held responsible for any NPDES violations and its related costs if the violations are related to the Contractor's activities.
- S. The Contractor shall submit evidence of compliance with 49 CFR 172 Subpart H (DOT).
- T. All work shall be performed according to Section 13 of the Storm Water Pollution Prevention Plan (SWPPP) for South Coast Steam Plant. (Section 13.0 - Contractor Practices and Procedures), included as follows:
  - a) Contractors are potential sources of contamination in storm-water and process wastewater because of the wide variety of materials used and the non-routine nature of their work. However, contractors must adhere to the PREPA policies regarding maintenance practices, operations practices, good housekeeping, training, materials compatibility, condition of equipment, and materials handling.
  - b) A routine part of a Contractor's is SWPP training. Each Contractor must confirm that its employees are properly trained in environmental and safety principles and pertinent plant policies. Non adherence to these policies can result in dismissal of a Contractors employee or the entire Contractor Company.
  - c) Specific controls on Contractor activities include:
    - SWPPP training at Contractor orientation.
    - Documentation of materials brought on site by the Contractor. Contractor must identify materials and amounts in their bid documents. Also, Contractor must remove all unused material from the site at the completion of the project.
    - Contractor's equipment must be in good working order. Equipment with broken or defective parts or oil leaks will not be allowed on site.
- U. It is necessary to avoid the development of a new storm-water discharge point as a consequence of the construction activities. These activities shall not cause any violations to the NPDES Permit Discharges.
- V. The Contractor shall submit, for evaluation by the Environmental Control Supervisor, a copy of a Site Specific Work Plan. The Plan shall include any other regulation or guideline applicable to the scope of work, and shall include

a contingency plan which includes how to proceed in an emergency situation, such as: an accident, an atmospheric disturbance, hazardous chemical substance spill, a fire and others.

- W. The Contractor shall inform and coordinate with the Environmental Control Supervisor of any work to be done to avoid any environmental violation.
- X. Before starting the work, the Contractor shall submit, for evaluation by the Environmental Protection and Quality Assurance Division, a copy of a Site Specific Work Plan.
- Y. The Contractor, upon completion of the work, must leave all work areas clean, organized and free of contaminants, according to the laboratory analysis, before and after the work. The storage area for the removed equipments and parts must be appropriate to avoid contaminants dispersion to the ground or water.
- Z. Temporary areas of construction and disposal materials shall be areas protected with dikes. In the absence of dikes, the Contractor shall prepare temporary areas with dikes to avoid materials exposure.
- AA. When using portalettes, the Contractor is responsible for the location of these in diked protected areas to prevent and avoid any sanitary discharge thru the power plant premises. It is prohibited to clean or wash the portalettes within the power plant premises.

## PART 2 PRODUCTS

- A. All products in this project shall be approved by PREPA prior entrance to the property.
- B. Whenever in these specifications there are listed specific brands and models of products, it will be understood as equal or approved equal to said products.

## PART 3 EXECUTION

### 3.1 REQUIRED WORK

Contractor shall provide all engineering and design (if requires), permits, labor, equipment, materials and supervision required to successfully repair two demineralized water tanks (#1 and #2) at the South Coast Steam Plant in accordance with this document and Technical Specifications. Each existing tank has a nominal capacity of 541,420 gallons with 48'-0" diameter and 40'-0" high dimensions. The project shall be completed in 240 consecutive days.

Contractor shall work on the following sequential manner:

- Complete the Repairs on Tank # 2 (North Side)
- Complete the Repairs on Tank # 1 (South Side)

At least one of the demi service tanks shall be operational during the repair project. The Contractor may execute repair or constructions activities on both tanks at the same time only by assuring PREPA that the operation of one of the tanks will not be affected repair process.

Contractor shall supply and deliver to PREPA a new 2021 MULE PRO-DXT™ EPS DIESEL FE. The equipment must be delivered within the first 120 days of the Contract.

### 3.2 PERMITTING PROCESS

- A. Contractor shall perform all tasks, documentation requirements, and pay all fees regarding the approval of the OGPe's "Permiso Único Incidental Operacional (Permiso General Consolidado)". Contractor shall continue with the new tank and concrete base construction project works during the process of obtaining the "Permiso Único Incidental Operacional/(PUI) (Permiso General Consolidado/(PGC)".
  - a) Contractor shall obtain and pay for the services for the inspection and certification for the following permit requirements:
    - i. PGC 009 – "Certificación de No Presencia de Asbesto en Estructuras a Demolerse"
    - ii. PGC 010 – "Certificación de No Presencia de Pintura con Base de Plomo en Estructuras a Demolerse"
- B. Contractor shall be responsible of executing and managing the "Plan CES" for the project.
- C. The Environmental Document ("Exclusión Categórica") shall be PREPA's responsibility.
- D. Contractor shall be responsible to deposit all scrap metal, if any, to a designated recycle dumpster designated by PREPA. Contractor will not be responsible for the disposal of such scrap metal.
- E. Contractor shall be responsible for the disposal of concrete debris, resulting from the expansion work of the existing concrete base.

- F. The "Plan CES" drawing shall be provided by PREPA at the notice to proceed. The contractor shall use this document as part of the information necessary for the request and approval process for the PUI/PGC.

### 3.3 DEMOLITION WORKS

- A. Cut several pipes marked in drawing DS-100 to install flexible connections. One of the tanks shall be kept in service, so the piping modification has to be done in two phases. Pipes need to be temporarily shored when cut.
- B. Demolish 8" deep by 36" tall of the exterior part of the pile cap on both tanks.
- C. A valve needs to be rotated 90 degrees up for when the expansion of the pile cap comes, it doesn't interfere with the new concrete extension.
- D. Detach existing anchor chairs with the anchors.
- E. Existing pile cap rebars shall not be cut.
- F. Part of an existing chain link fence shall be removed and relocated after the pile cap extension is done.

### 3.4 MECHANICAL WORKS

- A. Install flexible connections to the marked pipes in dwg P-01.
- B. Install new pipe supports as per dwg P-01.
- C. Modify the route of two pipes as shown in dwg P-01.
- D. Extend the existing drain pipes on both tanks.
- E. Lower the overflow pipe to 31'-6" on both tanks.

### 3.5 CIVIL WORKS

- A. The existing slope around the pile caps need to be modified and filled with selected fill.
- B. Extend the slope 10 ft around both tanks in the north, south and west.
- C. Make the new slope to a 2:1 angle.



Demi Service Tanks 1 & 2 Structural Repairs  
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- D. Install a 4ft wide by 3 ft deep at the base of the slope at the west and north side of the tanks.
- E. Construct a new retaining wall at the south of tank 1. Retaining wall is 4'-4" tall until the last part that slopes down to ground level.
- F. Erosion and sedimentation control plan shall be in place prior excavations and pile installation starts.

### 3.6 DEMI TANKS 1 & 2 STRUCTURAL REPAIRS

- A. Install 88 new HP12x53 piles, 44 per tank, 55 ft long. Coordinate the installation of the piles with the existing utilities. One load test per pile cap needs to be performed. If contractor submits an alternate pile section, sealed structural calculations shall be submitted. Calcs will be approved after a peer review form the designer is done. Piles shall resist the loads shown on the drawings (100 kips axial, 30 kips lateral) with the maximum deflection permitted on the original design (7/8"). Incomplete calculations, or without the seal of a structural engineer will be rejected.
- B. Locate all underground utilities prior pile driving.
- C. Inject the gap between the existing soil profile and the bottom of both pile caps with lean concrete until the area is completely filled.
- D. Install 28 new anchors into each of the pile cap extension.
- E. Make a 4ft pile cap extension around both pile caps connected with rebars on top of the new piles. Concrete temperature shall be controlled to prevent cracking during curing.
- F. Install three new stairs to access the pile cap extension top.
- G. Install 28 new anchor chairs on each tank.
- H. A lump sum shall be assigned on the Proposal Form (Allowance) for internal roof rafter replacement on each tank, if necessary.
- I. Fluid shall be considered as partially alkaline (pH 6-11).
- J. Steel grade shall be ASTM A36.
- K. A full time Safety Officer shall be required at the site throughout the project duration. The Safety Officer shall be the person designated by the

Contractor whose duty shall be the prevention of accidents and implement, both, the Safety and Health Program and the Site Specific Work Plan. The Safety Officer may be the contractor's project superintendent or supervisor and shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry.

- L. Contractor shall follow API-650 (and reference codes) for the tank, ASME B31.3 for piping, AISC for pipe supports structural steel and IBC for foundations.

### 3.3 TANK COATING SYSTEM

- A. All scaffolding shall be inspected, certify and tagged with the corresponding labels.
- B. Grit blast media (black beauty) used to remove the existing coating shall not be recycled for final surface profile preparation to avoid surface contamination. Recycle material shall be pass thru a screening device and heated to remove any humidity. The intention is to avoid contaminants getting back to the prepared steel. Using recycle material for the final preparation can introduce a contamination risk. The contractor shall be responsible to avoid this situation using its preferable method. In most cases the surface can be prepare as final with only one pass of grit blasting. PREPA does not require two separates grit blasting if surface preparation is achieved in the first pass.
- C. All coating products shall be applied using a single or plural component airless system. Brushes and rollers will ONLY be used for initial stripe coat of all seams, corners and all the top weir channels. For bidding purposes the specified methods shall be considered. PREPA will evaluate any particular situation during construction.
- D. The Contractor shall be responsible for the removal and disposal of the sand or media used for the blasting of the tank's interior and exterior surfaces. This material (blasting media) must be Non-Hazardous.
- E. The Contractor/Subcontractor must be certified on the use or application of the specified coating systems. The Contractor must present an original certification signed by the coating manufacturer or official local representative stating that the employees performing the mixing and application of the coating systems were formally instructed in such procedures, specifically in the product used. Local firms shall present a current letter of representation from the manufacturer.

Demi Service Tanks 1 & 2 Structural Repairs  
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- F. Besides the coating work on the tank interior and exterior shell, the Contractor shall paint up to the next flange face and all welded support structure. Railings, gratings and stairs are also be included as part of this scope of work.
- G. Stripe coat requirement for paint layers:
- Interior surfaces – Only before primer coat
  - Exterior surfaces – Before each coat
- H. Lead content is not expected in the existing coatings.
- I. Cleaning
- The tank shall be subjected to a pressured water cleaning (5,000 psi minimum) using a solution of potable water and Chlor-Rid in a dilution of 1:100. This procedure shall be applied to all internal and external surfaces of the tank.
  - Surfaces shall be tested for contaminants before any rehabilitation or surface preparation. Cleaning as described in the preceding item shall be repeated if contamination levels are founded to be greater than the followings:
    - a. Chlorides > 20 mg/m<sup>2</sup> (2 µg/cm<sup>2</sup>)
    - b. Sulfates > 25 mg/m<sup>2</sup> (2.5 µg/cm<sup>2</sup>)
    - c. Nitrates > 25 mg/m<sup>2</sup> (2.5 µg/cm<sup>2</sup>)
- J. Final Surface Preparation (Refer to Specification 09900)
- Interior – Surface Preparation #1, white metal (SSPC-SP5).
  - Exterior – Surface Preparation #2, near white (SSPC-SP10). Requires 100% tank encapsulation.
- K. Coating, Lining and Repair System (Refer to Specification 09900)
- Interior – See Drawings (S-106)
  - Exterior – See Drawing (S-106)
    - A) Requires 100% tank encapsulation.

- L. Contractor shall prepare test coupons as part of the quality control program. These coupons shall be prepared during initial, intermediate and final stages of the Work. PREPA will require 3 coupons for interior and 3 for exterior. Each coupon shall reflect all stages of the coating process. PREPA will use these coupons for pull-off (adhesion) testing. Coupons material shall be carbon steel with a 12" x 12" x ¼" size. A PREPA's inspector shall witness test coupon preparation process.
- M. The ID Plate shall be smooth sating matte finish Aluminum 5052 or 6061, with 1/8" thickness and engraved lettering. Other acceptable material will be Stainless Steel 304 or 316. ID Plate installation shall provide isolation from tank steel.
- N. All interior surfaces (100%) shall be subject to a High Voltage Holiday Spark Test.
- O. Contractor shall keep record of the following information (Contractor could use the provided drawings of the tank for this requirement):
- Coating production batches and the location where it was applied.
  - Name of the painter and personnel in charge of the mixing.
  - Date, weather conditions and substrate conditions.
  - Surface profile.
  - Application Method.
  - Coating thickness (WFT & DFT)
- P. Surface profile tests shall be performed with a digital gauge similar to Elcometer 224.
- Q. Manual version of the PosiTest AT-M will be allowed for adhesion testing.
- R. The Contractor is not required to have a NACE inspector on-site for the project duration. Nevertheless, a weekly report from a NACE inspector during surface preparation and coating application period shall be delivered to PREPA on every construction meeting with the PREPA's project manager.
- S. Contractor shall supply, as part of the scope, two (2) sets of the equipment and the amount of equipment detail in Annex 2 – Inspection Equipment. The

delivery of the equipment shall occur within the first forty-five (45) days of the Contract mobilization date. On the case of Item 13, the Contractor shall supply one High Voltage and one Low Voltage instead of two High Voltage, per set.

- T. Contractor shall prepare and install an identification plate (24" x 24") with the following information:

DATE:                      CONTRATOR:                      PREPA PO:

*INTERIOR COATING:*

SURFACE PREPARATION:

PRIMER:

BASE:

FINISH:

PROFILE:

THICKNESS (DFT):

THICKNESS (DFT):

THICKNESS (DFT):

*EXTERIOR COATING:*

SURFACE PREPARATION:

PRIMER:

BASE:

FINISH:

PROFILE:

THICKNESS (DFT):

THICKNESS (DFT):

THICKNESS (DFT):

- Colors
  - a. Interior
    - i. Base: Red
    - ii. Finish: Gray
  - b. Exterior
    - i. Primer: Green
    - ii. Base: Aluminum Grey
    - iii. Finish: White
- Contractor shall follow Annex 1 for tank identification.

END OF SECTION 15010



ALONSO & CARUS iron works, inc.

PO Box 566 Cataño PR 00962  
P: 787.788.1065 u F: 787.788.0350 u [sales@alonsocarus.com](mailto:sales@alonsocarus.com)



RFP No. 2983

## DEMI SERVICE TANKS 1 & 2 STRUCTURAL REAPIRS AT COSTA SUR POWER PLANT

Presented to:  
Puerto Rico Electric Power Authority



Feb. 6, 2021



**PROPOSAL**

**SECTION I**

**FEBRUARY 6, 2021**

PUERTO RICO ELECTRIC POWER AUTHORITY  
SAN JUAN, PUERTO RICO

IN COMPLIANCE WITH YOUR INVITATION TO BID FOR THE **RFP 00002983 DEMI SERVICE TANKS 1 & 2 STRUCTURAL REPAIRS AT COSTA SUR POWER PLANT** AND HAVING CAREFULLY EXAMINED AND COMPLETELY UNDERSTOOD ALL OF THE CONTRACTOR'S DOCUMENTS, THE UNDERSIGNED PROPOSES TO FURNISH ALL LABOR, EQUIPMENT, AND MATERIALS NOT PROVIDED BY PREPA OR OTHERS, AND TO PERFORM ALL WORK AS DETAILED, INDICATED OR DESCRIBED IN SAID CONTRACTOR'S DOCUMENTS, AND SUBJECT TO ALL CONDITIONS STIPULATED THEREIN, STARTING AT THE NOTICE TO PROCEED (NTP) AND FINISHING IN 350 CALENDAR DAYS FOR THE LUMP SUM OF **FOUR MILLION SEVEN HUNDRED SEVENTY EIGHT THOUSAND TWO HUNDRED THIRTEEN** (\$4,978,213.00) DOLLARS FOR THE BASE BID.

**SECTION IA – BASE BID**

CONTRACT SUM BREAKDOWN (THE SUM OF ALL BREAKDOWN ITEMS SHALL EQUAL THE PROPOSED CONTRACT LUMP SUM SHOWN ON PAGE 1 OF THE PROOSAL):

<b><u>ACTIVITY</u></b>	<b><u>COST</u></b>
1. GENERAL CONDITIONS (INSURANCES, PROJECT MANAGEMENT, PERMITS, MUNICIPAL TAXES, MOBILIZATION, INSPECTION KITS, DIESEL MULE)	<u>\$955,640</u>
2. TANK #1 PILE CAP DEMOLITION WORK	<u>95,564</u>
3. TANK #2 PILE CAP DEMOLITION WORK	<u>95,564</u>
4. TANK # PILE SYSTEM	<u>382,256</u>
5. TANK # PILE SYSTEM	<u>382,256</u>
6. TANK #1 EXPANSION TO PILE CAP	<u>238,910</u>
7. TANK #2 EXPANSION TO PILE CAP	<u>238,910</u>
8. TANK #1 NEW ANCHOR CHAIRS, BOLTS, PLATFORM, SPIRAL STAIR	<u>143,346</u>
9. TANK #2 NEW ANCHOR CHAIRS, BOLTS, PLATFORM, SPIRAL STAIR	<u>143,346</u>
10. TANK #1 INTERNAL COATING SYSTEM	<u>47,782</u>
11. TANK #2 INTERNAL COATING SYSTEM	<u>47,782</u>
12. TANK #1 EXTERNAL COATING SYSTEM	<u>573,384</u>
13. TANK #2 EXTERNAL COATING SYSTEM	<u>573,384</u>
14. TANKS #1 & #2 FLEXIBLE INTERCONNECTIONS	<u>95,564</u>
15. TANKS #1 & #2 SOIL EMBANKMENT, SITE WORKS & NEW CONCRETE WALL	<u>286,692</u>
16. ALLOWANCE	<u>200,000</u>
17. TANKS #1 & #2 LEAD PAINT REMOVAL, DISPOSAL, AND PERMIT PROCESS	<u>477,833</u>
<b>CONTRACT SUM</b>	<b><u>4,978,213</u></b>

**SECTION IB – ALTERNATE BID**

CONTRACT SUM BREAKDOWN (THE SUM OF ALL BREAKDOWN ITEMS SHALL EQUAL THE PROPOSED CONTRACT LUMP SUM SHOWN ON PAGE 1 OF THE PROOSAL):

<u>ACTIVITY</u>	<u>COST</u>
1. GENERAL CONDITIONS (INSURANCES, PROJECT MANAGEMENT, PERMITS, MUNICIPAL TAXES, MOBILIZATION, INSPECTION KITS, DIESEL MULE)	<u>\$701,406</u>
2. TANK #1 PILE CAP DEMOLITION WORK	<u>95,564</u>
3. TANK #2 PILE CAP DEMOLITION WORK	<u>95,564</u>
4. TANK # PILE SYSTEM	<u>382,256</u>
5. TANK # PILE SYSTEM	<u>382,256</u>
6. TANK #1 EXPANSION TO PILE CAP	<u>238,910</u>
7. TANK #2 EXPANSION TO PILE CAP	<u>238,910</u>
8. TANK #1 NEW ANCHOR CHAIRS & BOLTS	<u>19,483</u>
9. TANK #2 NEW ANCHOR CHAIRS & BOLTS	<u>19,483</u>
10. DESIGN-BUILD TANK #1 WITH INTERNAL/EXTERNAL COATING SYSTEMS	<u>670,306</u>
11. DESIGN-BUILD TANK #1 WITH INTERNAL/EXTERNAL COATING SYSTEMS	<u>670,306</u>
12. TANKS #1 & #2 FLEXIBLE INTERCONNECTIONS	<u>95,564</u>
13. TANKS #1 & #2 SOIL EMBANKMENT, SITE WORKS & NEW CONCRETE WALL	<u>286,692</u>
16. ALLOWANCE	<u>200,000</u>
<b>CONTRACT SUM</b>	<b><u>4,096,700</u></b>

THE FOLLOWING FEES WILL APPY TO CHANGES IN THE WORK:

1. 15% OVERHEAD AND PROFIT ON THE NET COST OF WORK DONE BY THE CONTRACTOR.



2. 10% OVERHEAD AND PROFIT ON THE GROSS COST (NET PLUS FEE) OF WORK DONE BY SUBCONTRACTOR.
3. ON WORK DELETED FROM THE CONTRACT, CREDIT TO THE OWNER SHALL BE THE ARCHITECT APPROVED NET COST.
4. WHEN BOTH ADDITIONS AND CREDITS COVERING RELATED WORK OR SUBSTITUTIONS ARE INVOLVED IN ANY ONE CHANGE, THE ALLOWANCE FOR OVERHEAD AND PROFIT SHALL BE FIGURED OUT ON THE BASIS OF THE NET INCREASE, IF ANY, WITH RESPECT TO THAT CHANGE.

THE FOLLOWING FEES WILL APPLY FOR THE PILE INSTALLATION:

- |   |                 |
|---|-----------------|
| 1. ADDITIONAL COST PER LINEAR FEET OF PILE      | <u>\$130/LF</u> |
| 2. CREDIT FOR LINEAR FEET OF PILE NOT INSTALLED | <u>\$80/LF</u>  |

**SECTION II**

**QUALIFICATION OF BIDDER**

WE HEREBY SUBMIT THE FOLLOWING DATA REGARDING OUR QUALIFICATIONS:

1. PERMANENT PLACE OF BUSINESS

A. CITY CATAÑO STATE \_\_\_\_\_ PR        ZIP CODE 00963

B. STREET RD. 869 NO. \_\_\_\_\_ KM. 0.9

C. TELEPHONE NO. (787) 788-1065 E-MAIL: [SALES@ALONSOCARUS.COM](mailto:SALES@ALONSOCARUS.COM)

2. FINANCIAL STATEMENT

A. CASH IN BANK OR ON HAND \_\_\_\_\_ \$ 264,000.00

B. TOTAL PROPERTY VALUE \_\_\_\_\_ \$ 24,558,000.00

C. OTHER ASSETS TOTAL VALUE \_\_\_\_\_ \$ 164,000.00

TOTAL \_\_\_\_\_ \$ 25,186,000.00

D. LIABILITIES \_\_\_\_\_ \$ 17,080,000.00

NET \_\_\_\_\_ \$ 8,106,000.00

**QUALIFICATION OF BIDDERS (CONT.)**

3. THE FOLLOWING IS A LIST OF EQUIPMENT I OR WE HAVE AVAILABLE FOR USE ON THIS WORK:

<b>ITEM NO.</b>	<b>QTY.</b>	<b>DESCRIPTION, SIZE, CAPACITY, ETC.</b>	<b>YEARS IN SERVICE</b>	<b>PRESENT LOCATION</b>
1	1	MOTOR CRANE – 60 TON	20	A&C SHOP
2	1	ROUGH TERRAIN CRANE – 22 TON	20	A&C SHOP
3	1	ROUGH TERRAIN CRANE – 60 TON	15	A&C SHOP
4	1	BOOM TRUCK – 28 TON	10	A&C SHOP
5	1	BOOM TRUCK – 17 TON	15	A&C SHOP
6	30	WELDING MACHINES	5 – 10	A&C SHOP
7	2	AIR COMPRESSORS 375 CFM	5 – 10	A&C SHOP
8	3	AIR COMPRESSOR 185 CFM	5 – 10	A&C SHOP
9	2	POWER PLANT 200 KW W. NINE (9) ELECTRIC WELDING MACHINES	2	A&C SHOP
10	1	ARTICULATED MAN-LIFT 45 FT.	12	A&C SHOP
11	4	ARTICULATED BOOM-LIFT 60 FT.	12	A&C SHOP
12	2	TELESCOPIC BOOM-LIFT 80 FT.	12	A&C SHOP
13	1	TELEHANDLER – 6 TON	12	A&C SHOP



**QUALIFICATION OF BIDDERS (CONT.)**

4. THE FOLLOWING IS A LIST OF ADDITIONAL EQUIPMENT I OR WE INTEND TO PURCHASE OR RENT FOR USE ON THE PROPOSED WORK, SHOULD THE AGREEMENT BE AWARDED TO ME OR US:

<b>ITEM NO.</b>	<b>QTY.</b>	<b>DESCRIPTION, SIZE, CAPACITY, ETC.</b>	<b>APPROXIMATE COST</b>	<b>DATE OF DELIVERY</b>
---------------------	-------------	--	-----------------------------	-----------------------------

NONE

**QUALIFICATION OF BIDDERS (CONT.)**

5. THE FOLLOWING IS A LIST OF SIMILAR CONTRACTS EXECUTED BY ME OR US:

<b>ITEM NO.</b>	<b>QTY.</b>	<b>TYPE OF WORK</b>	<b>CONTRACT PRICE</b>	<b>COMPLETION DATE</b>
1	2	TANKS D-3 & D-4, COMBINED CYCLE PLANT, AGUIRRE	\$ 2,600,000.00	2001
2	2	TANK R-2, SAN JUAN PLANT	\$ 1,640,000.00	2002
3	1	REHABILITATION OF DIESEL TANK, AGUIRRE PLANT	\$ 774,000.00	2004
4	2	REHABILITATION OF TANKS S-1 & S-2, AGUIRRE PLANT	\$ 960,000.00	2006
5	3	THREE (3) 500,000 GAL. DEMI-WATER TANKS – MAYAGUEZ GAS TURBINE PLANT	\$ 1,515,000.00	2007
6	1	710,000 GALS. FIRE WATER TANK, COSTA SUR PLANT	\$ 375,000.00	2007
7	1	TANK S-4, PALO SECO PLANT	\$ 600,200.00	2008
8	1	CONDENSATE WATER TANK NO. 10, SAN JUAN PLANT	\$ 403,500.00	2009
9	1	RAW WATER TANK NO. 2, PALO SECO PLANT	\$ 435,000.00	2010
10	1	COLLECTION TANK NO. 1, PALO SECO PLANT	\$ 491,500.00	2010
11	1	RAW WATER TANK NO. 2 SAN JUAN PLANT	\$313,000.00	2011
12	1	RETENTION TANK NO. 2 SAN JUAN PLANT	\$760,000.00	2011
13	1	APH MIX TANK PALO SECO PLANT	\$60,000.00	2012
14	1	6,000 GAL. DEMI-ACID TANK AGUIRRE PLANT	\$63,000.00	2013

Demi Service Tanks 1 & 2 Structural Repairs  
at Costa Sur Power Plant

15	1	8,200 GAL. CAUSTIC SODA TANK, PALO SECO PLANT	\$93,800.00	2014
16	1	5,600 GAL. DEMI-ACID TANK PALO SECO PLANT	\$71,600.00	2014
17	1	300,000 GAL. EFFLUENTS TANK NO. 2, SAN JUAN PLANT	\$1,400,000.00	2016
18	1	205,000 GAL. RETENTION TANK NO. 3, SAN JUAN PLANT	\$870,000.00	2016
19	1	6,000 GAL. BACK WASH TANK PALO SECO PLANT	\$86,000.00	2016
20	2	6,000,000 GAL. GASOLINE TANKS 31 & 32, TOTAL PETROLEUM	\$5,804,000	2019
21	1	150,000 GAL. CONDENSATE WATER TANK, SAN JUAN PLANT	\$1,241,000	2020
22	1	400,000 GAL. FIRE WATER TANK, DESTILERÍA SERRALES	\$513,900	2020
23	1	230,000 GAL. CONDENSATE TANK 6, COSTA SUR PLANT	\$845,013	2021

**QUALIFICATION OF BIDDERS (CONT.)**

6. THE FOLLOWING IS A LIST OF CONTRACTS ON HAND:

<b>CONTRACT NO.</b>	<b>DESCRIPTION OF WORK</b>	<b>CONTRACT PRICE</b>	<b>% COMPLETED</b>
	WALSH PUERTO RICO, LLC. VA HOSPITAL SESIMIC RETROFIT	\$3,678,000	72%
	ABBVIE BIOTECHNOLGIES 150,000 GAL. TANK REPAIR	\$90,000	0%
	ECONO GATE 5 200,000 GAL. FIRE WATER TANK	\$239,000	0%
	PREPA, PALO SECO PLANT 186,000 GAL. NPDES TANK	\$ 800,000	0%
	TOTAL PETROLEUM PUERTO RICO REHABILITATIO OF TANK 12	\$ 185,000	0%
	EATON LAB 153,000 GAL. FIRE WATER TANK	\$ 318,000	0%
	PALMAS INDUSTRIAL 150,000 GAL. FIRE WATER TANK	\$ 250,000	0%
	CARIBE GENERAL CONSTRUCTORS USARC TRAINING BUILDING AND TANKS	\$ 747,000	0%
	RBC CONSTRUCTION USARC TRAINING BUILDING	\$ 666,000	0%
	PREPA, AGUIRRE POWER PLANT GT-HRSG EXHAUST GAS DUCT	\$55,000	0%
	PREPA, COSTA SUR POWER PLANT NDE INSPECTION SERVICES	\$250,000	20%
	PEGA WECO PAWTA SAND PROCESSING PLANT	\$910,000	42%



**QUALIFICATION OF BIDDERS (CONT.)**

7. TYPE OF ORGANIZATION AND BUSINESS: \_\_\_\_\_  
\_\_\_\_\_  
CORPORATION  
\_\_\_\_\_  
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\_\_\_\_\_

8. THE WORK, IF AWARDED TO ME OR US, WILL HAVE THE PERSONAL SUPERVISION OF:

<u>JORGE L. RAMOS, SR., PE</u>	<u>FERNANDO MARTÍNEZ, PE</u>
<u>JORGE L. RAMOS, JR., API 653, MSCE, PE</u>	<u>CARLOS ALMESTICA, CWI, NACE III</u>
<u>JUAN C. PIÑERO, PHD, PE</u>	<u>JOE RUIZ, CWI</u>

**QUALIFICATION OF BIDDERS (CONT.)**

9. CONSTRUCTION METHODS TO BE USED ON THE WORK (BIDDER TO OUTLINE THE PRINCIPAL METHODS AND ORDER OF PROCEDURES TO BE EMPLOYED IN THE WORK). YOU MAY USE ADDITIONAL SHEETS, IF NECESSARY, AND ATTACH THEM TO THE BACK OF THIS PAGE.

SEE ATTACHED SIMILAR WORK PLAN



**SECTION III**

**EXCEPTIONS CLAUSE**

THIS PROPOSAL COMPLIES WITH THE PUERTO RICO ELECTRIC POWER AUTHORITY'S SPECIFICATIONS NO. 31205 (INCLUDING ALL SUPPORTING DOCUMENTS NAMED THEREIN) WHICH ARE HEREBY MADE A PART THEREOF, AND WHICH SHALL GOVERN IN CASE OF CONFLICT WITH ANY OTHER PROVISION OF THIS PROPOSAL, EXCEPT AS STATED IMMEDIATELY BELOW, IN **EXCEPTIONS** NUMBERED \_\_\_\_\_ TO \_\_\_\_\_ INCLUSIVE.

NOTES:

1. NONE

**SECTION IV**

**ADDENDUM RECEIPT**

THE UNDERSIGNED CERTIFIES THAT THE FOLLOWING ADDENDA TO THE SPECIFICATION HAVE BEEN RECEIVED AND ARE MADE A PART OF THE AGREEMENT DOCUMENTS:

ADDENDUM NO. _____ 1 _____	DATED _____ 1/12/2021 _____
ADDENDUM NO. _____ 2 _____	DATED _____ 1/15/2021 _____
ADDENDUM NO. _____ 3 _____	DATED _____ 1/21/2021 _____
ADDENDUM NO. _____ 4 _____	DATED _____ 1/24/2021 _____
ADDENDUM NO. _____ 5 _____	DATED _____ 1/29/2021 _____

**PROPOSAL (CONT.)**

THE UNDERSIGNED, JORGE L. RAMOS, JR.  
(PRINT NAME OF UNDERSIGNED)

ON BEHALF OF ALONSO & CARUS IRON WORKS, INC.  
(COMPANY NAME)

SUBMITS THE PROPOSAL HEREINBEFORE CONTAINED.

DATED FEBRUARY 6, 2021

THIS 6 DAY OF FEBRUARY, 2021.

ALONSO & CARUS IRON WORKS, INC.  
(NAME OF ORGANIZATION)

BY: JORGE L. RAMOS, JR., MSCE, PE  
(NAME OF PERSON SIGNING  
FOR THE ORGANIZATION)



PRESIDENT  
(TITLE OF PERSON SIGNING)

PO BOX 566

CATAÑO PR 00963

(OFFICIAL ADDRESS OF ORGANIZATION)

660-23-5446  
(SOCIAL SECURITY OF ORGANIZATION)

**DESIGN AND CONSTRUCTION CONDENSATE WATER TANK 6  
COSTA SUR POWER PLANT  
REQ. 241575**

**SUBMITTAL NO. AC-016:  
SITE SPECIFIC WORK PLAN**

**PREPARED FOR:  
PUERTO RICO ELECTRIC POWER AUTHORITY**



**PREPARED BY:**



**ALONSO & CARUS iron works, inc.**

0	Issued for Approval	JLRO	9/13/20	JLRO	9/13/20		
<b>Issue Rev.</b>	<b>Description</b>	<b>Origin By</b>	<b>Date</b>	<b>Checked By</b>	<b>Date</b>	<b>Approved By</b>	<b>Date</b>

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# Project: Design-Build New Condensate Tank 6

## Work Plan

### I. Executive Summary

ALONSO & CARUS IRON WORKS, INC. (A&C) has developed and established high standards to protect the safety and health of the employees, including contractors, and those employees from the facilities where the services are provided. A&C has been commissioned by the Puerto Rico Electric Authority (PREPA) to fabricate and install one (1) new 230,000 gal. aboveground condensate water storage tank at Costa Sur Power Plant.

This document includes all the site requirements, works related to the tank erection, including welding, bolting, and the in-situ application of an epoxy coating to the tanks' interior and exterior surfaces. It details the procedures of the activities that will take place to ensure that all tasks are accomplished in time and in a safe manner.

For Safety and Quality Control information please refer to the information provided in separate submittals.

### II. Project Team

A&C has been the Puerto Rico's tank and structural steel fabricator leader since 1961, performing thousands of projects around the Island and the Caribbean Region. As leaders in the industry, we will bring our experienced and talented management team to execute a high-grade performance in the project.

Name	Position	E-mail
Jorge L. Ramos, Sr.	CEO	<a href="mailto:jramos@alonsocarus.com">jramos@alonsocarus.com</a>
Jorge L. Ramos, Jr.	President	<a href="mailto:jramosjr@alonsocarus.com">jramosjr@alonsocarus.com</a>
Juan C. Piñero	Vice-President	<a href="mailto:jcpinero@alonsocarus.com">jcpinero@alonsocarus.com</a>



Natalia de la Texera	QC	<a href="mailto:natalia@alonsocarus.com">natalia@alonsocarus.com</a>
Carlos Almestica	QA	<a href="mailto:calmestica@alonsocarus.com">calmestica@alonsocarus.com</a>
Guillermo Torres	Safety Manager	<a href="mailto:gtorres@alonsocarus.com">gtorres@alonsocarus.com</a>
Anibal Rivera	Detailing Manager	<a href="mailto:arivera@alonsocarus.com">arivera@alonsocarus.com</a>
Víctor González	Field Superintendent	<a href="mailto:vgonzalez@alonsocarus.com">vgonzalez@alonsocarus.com</a>
Jose Ruiz	NDE Technician	<a href="mailto:jruiz@alonsocarus.com">jruiz@alonsocarus.com</a>
Pablo López	Field Engineer	<a href="mailto:plopez@alonsocarus.com">plopez@alonsocarus.com</a>
Edward Lugo	Field Supervisor	---
Edgar Lugo	Field Supervisor	---
Virgilio De Leon	Field Supervisor	---
Jose Montalvo	Field Supervisor	---
Ramón Concepción	Field Supervisor	---
Randolfo Almodovar	Paint Supervisor	---

### III. In-situ Office

We'll be establishing a 40' long by 12' wide in-situ office to control the execution of the project. The purpose of the office is to comply with the plans, requirements and in a productivity way organize the daily tasks. Daily pre- tasks meetings, weekly safety tool box meetings, and administrative works will be planned and implemented from this office.

For the use of the office, A&C will be needing a 120/240 volts' electric power connection, potable & sanitary water connection.

### IV. Staging Areas

The staging area is included in the attached work area plan.

### V. Summary of Tasks

#### **Installation of New Steel Tank**

The job comprises the entire installation of one (1) steel storage tank with the following dimensions: 35'-0" diameter by 32'-0" high. Welding of steel plates and components,

installation tank appurtenances, and the application of an epoxy coating on the exterior and interior surfaces summarize the installation works.

The erection procedure per tank will be as follow:

- 1) Assembly the tank's bottom plates
- 2) Assembly the tank's roof plates
- 3) Assembly the shell ring plates (bottom to top)
- 4) Do NDE tests on welds as per code (bottom vacuum box and radiography inspection on shell joints)
- 5) Assembly the top ring angle
- 6) Installation of all shell nozzles
- 7) Installation of the cone roof
- 8) Installation of all roof nozzles and accessories
- 9) Hydrostatic Test
- 10) Application of the internal coating system
- 11) Application of the external coating system,

### **Rigging & Lifting**

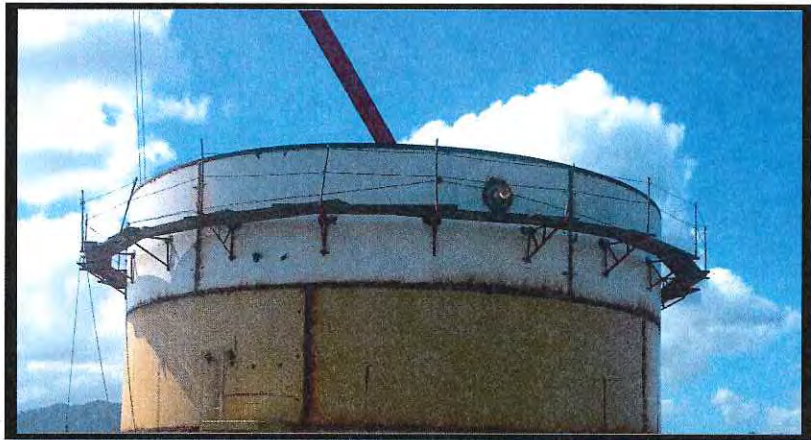
For the installation of the steel tank, A&C will be use either a 28 Ton boom truck or a 60 ton motor-crane. Certified spreader bars, chain slings, wire ropes, nylon web slings, tag lines (ropes) and shackles will be used as rigging equipment. All rigging plans will be discussed with the personnel and crane operator prior to any lift.



### **Tank Builder's Scaffolds**

A&C will use his own tank builder's scaffold system, designed to comply with the construction industry regulations and to provide a stable work surface above surface level. Scaffolding will be erected following the requirements of OSHA 29 CFR 1926 Sub Part L (1926.450 - .454). A competent person will be in charge of erecting and dismantling the scaffold. Tank builder's scaffolds may be used for the interior and exterior welding of the shell plates and for the installation of the top ring angle and cone roof.





A&C may also use a customized welding buggy that provide adequate space and access at different heights for the welder or the automatic welding machine operator. The buggy can be moved easily around tank's perimeters.



## **NDE Tests**

As required by codes and contract documents, A&C will be performing a series of tests to assure the quality of the works. All of the test will be performed by qualified NDE Technicians.



## **Compressed Air**

Compressed air for ventilation will be generated from air compressors. A series of compressors will be used. Following the requirements of the Special Rule No. 1 of the Department of Labor and Human Resources of Puerto Rico, which requires that all pressure vessels are inspected annually, these compressors and their respective collecting tanks were certified this year. The appendix section includes the certifications of the air compressors to be used.



## Painting Procedure

The exterior paint will be executed using man basket units and / or pole extensions. All the paint will be applied with paint rolls and brushes. A&C has limited exposure at the site by conducting a series of activities at the shop, such as sandblasting of surface, and the primer application, etc. Painting activities will include the application of the exterior and interior coating systems.

Before issuing a work permit, the employee's supervisor will be responsible for the following:

- Identify all hazards.
- Ensure that all required equipment is provided, maintained and properly used. This includes communications equipment, personal protective equipment (PPE), external barriers, ladders and rescue equipment.

A&C will use his own aerial swing stages (Painter's Man Basket), better known as "Guindola", that provide an adequate platform to the painter to gain elevation and easy movement around the tanks.



## VI. Equipment



All equipment that will be used complies with all applicable regulations. A&C will provide any required documentation of annual inspections and/or permits. Some of the equipment to be used are:

Man basket Units (19 to 40 feet Scissors & Cages)

Diesel Storage Tanks (with dikes)

Diesel Welding Machines

Telehandler

20 feet Van with Power Generator With Multi welder

Multiple 20 feet Tool Box Van

28 Ton Boom Truck

60 Ton Motor Crane

## **VII. Debris**

All Debris and garbage will be disposed by A&C methods in our shop in Cataño. In Case of piles, they will be removed weekly.

## **VIII. Working Shifts**

A&C shifts will be Monday to Friday from 7:00 a.m. to 3:00 p.m. In case of any delay or urgency we will work additional hours, no more than twelve per shift. The implementation of a second or third shift was not considered.

## **IX. Emergencies**

All Emergencies will be worked as specified in the last section of our Job Safety Analysis. The following is the management team contact information:

Name	Position	E-mail	Phone number
Jorge L. Ramos, Sr.	CEO	<a href="mailto:jramos@alonsocarus.com">jramos@alonsocarus.com</a>	(787) 642-6471
Jorge L. Ramos, Jr.	President	<a href="mailto:jramosjr@alonsocarus.com">jramosjr@alonsocarus.com</a>	(787) 647-2565
Juan C. Piñero	Vice-President	<a href="mailto:jcpinero@alonsocarus.com">jcpinero@alonsocarus.com</a>	(787) 240-2530
Pablo López	Project Engineer	<a href="mailto:plopez@alonsocarus.com">plopez@alonsocarus.com</a>	(787) 679-0013
Victor Gonzalez	Field Superintendent	<a href="mailto:vgonzalez@alonsocarus.com">vgonzalez@alonsocarus.com</a>	(787) 903-6780
Guillermo Torres	Safety Manager	<a href="mailto:gtorres@alonsocarus.com">gtorres@alonsocarus.com</a>	(787) 640-4876

## X. Security

AC will be establishing a security zone to control any unauthorized entry. Non authorized personnel will be asked by AC to leave the premises. A warning yellow tape (Do not enter, Warning, etc.) will be used as an alerting mechanism to avoid unauthorized entries.

## XI. Miscellaneous

This plan also establishes that any unexpected condition that surfaces along the development of this job, it will be stopped. A thorough evaluation will be conducted and corrective/preventive measures will be implemented so that the task is completed in a safe manner. **Alonso & Carus has developed this work plan based on the minimum requirements established by the law and industry standard practices. Any special requirement above the standards required by the client needs to be informed to our Management Personnel, and the additional cost to implement them, if applicable, will be submitted for approval in the form of a contract modification.**



ALONSO & CARUS Iron Works, Inc.

PO Box 566  
 Cataño PR 00963  
 (787) 788-1065  
[sales@alonsocarus.com](mailto:sales@alonsocarus.com)  
[www.alonsocarus.com](http://www.alonsocarus.com)

## Tanks Experience

Client or Owner	Job Description <sup>1</sup>	Contract Amount	Date Started	Date Completed
US Navy	Five (5) 4,200,000 Gal. Jet Fuel Tanks, Ceiba	\$6,500,000	11/1986	5/1988
PREPA	Tank R2, San Juan Plant	1,640,000	7/2001	5/2002
PREPA	Rehabilitation of Tanks S1 & S2, Aguirre Plant	960,000	2/2006	12/2006
Amgen Mfg., Ltd.	1,000,000 Gal. Potable Water Tank, Juncos	1,070,000	11/2007	8/2008
PREPA	Three (3) 500,000 Gal. Demi-Water Tanks, Mayaguez Gas Turbine Plant	1,515,000	3/2007	11/2007
PREPA	710,000 Gal. Fire Water Tank, Costa Sur Plant	375,000	9/2006	4/2007
Bacardi Corp.	Four (4) 800,000 Gal. Alcohol Tanks, Cataño	4,438,920	10/2007	11/2008
Bacardi Corp.	Four (4) 100,000 Alcohol Tanks, Cataño	852,300	10/2007	11/2008
Bacardi Corp.	700,000 Gal. Fire Water Tank	455,000	10/2007	11/2008
PREPA	400,000 Gal. Service Tank S4, Palo Seco Plant	600,200	8/2007	7/2008
Bristol Myers Squibb	250,000 Gal. Fire Water Tank, Manatí	350,000	8/2007	3/2008
PREPA	170,000 Gal. Condensate Tank No. 10, San Juan Plant	403,500	2/2009	9/2009
Ocular Sciences Caribbean	175,000 Gal. Potable Water Tank, Juana Diaz	213,900	3/2009	12/2009
PREPA	170,000 Gal. Raw Water Tank No. 2, Palo Seco Plant	435,000	3/2010	8/2010
PREPA	281,000 Gal. Collection Tank No. 1, Palo Seco Plant	491,500	9/2009	6/2010
Amgen Mfg., Ltd.	150,000 Gal. Diesel Tank, Juncos	405,000	12/2009	5/2010
Aireko Construction	200,000 Gal. Fire Water Tank, Walmart Barceloneta	208,650	12/2009	4/2010





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[www.alonsocarus.com](http://www.alonsocarus.com)

PREPA <sup>2,3</sup>	205,000 Gal. Retention Tank No. 2, San Juan Plant	760,000	9/2010	5/2011
PREPA	170,000 Raw Water Tank No. 2, San Juan Plant	313,000	6/2010	3/2011
Torcon, Inc.	200,000 Gal. Potable Water Tank, Cayey	270,000	7/2010	3/2011
Pfizer, Inc.	125,000 Gal. Potable Water Tank, Guayama	155,500	11/2010	2/2011
Constructora Campo Rico	330,000 Gal. Fire Water Tank, Ceiba Airport	304,000	10/2011	1/2012
PREPA <sup>2</sup>	150,000 Gal. Diesel Tank, Vieques Emergency Plant	487,900	2/2012	11/2012
PREPA	170,000 Gal. Raw Water Tank No. 3, Palo Seco Plant	406,000	4/2012	10/2012
PREPA	400,000 Gal. Service Tank S2, Palo Seco Plant	878,600	5/2011	3/2012
Warner Chilcott PR, LLC.	150,000 Gal. Fire Water Tank, Manatí	166,800	4/2012	7/2012
Allied Waste of PR	300,000 Gal. Leachate Tank, Salinas	308,500	5/2012	8/2012
PREPA	6,000 Gal. Demi-Acid Tank, Aguirre Plant	63,000	3/2013	5/2013
Puma Energy Caribe	Tank Farm Rehabilitation	4,143,232	8/2012	11/2013
PREPA	10,000 Gal. Waste APH Mix Tank, Palo Seco Plant	59,000	10/2012	3/2013
PC Puerto Rico, LLC.	Rehabilitation and Piping Works on TK-76, Guaynabo	360,000	3/2013	4/2013
PREPA	8,200 Gal. Caustic Soda Tank, Palo Seco Plant	93,800	10/2013	1/2014
PREPA	5,600 Gal. Demi-Acid Tank, Palo Seco Plant	71,600	10/2013	1/2014
Pfizer, Inc.	100,000 Diesel Tank, Barceloneta	191,000	3/2014	11/2014
Destilería Serrllés	1,600,000 Gal. Molasses Tank, Ponce	1,046,000	8/2014	4/2015
Universal Fire Sprinklers	240,000 Gal. Fire Water Tank, Bayamón	208,650	9/2014	2/2015
Constructora Santiago	200,000 Gal. Fire Water Tank, Walmart Hatillo	210,000	12/2014	6/2015
Aireko	200,000 Gal. Fire Water	265,800	6/2015	9/2015





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[www.alonsocarus.com](http://www.alonsocarus.com)

	Tank, GE Global Arecibo			
PREPA <sup>2,3</sup>	300,000 Gal. Effluents Tank No. 2, San Juan Plant	1,400,000	11/2014	3/2016
PREPA <sup>2,3</sup>	205,000 Gal. Retention Tank No. 3, San Juan Plant	870,000	7/2015	8/2016
PREPA	6,000 Gal. Back Wash Tank, Palo Seco Plant	86,000	7/2016	10/2016
Northwestern Selecta	150,000 Gal. Fire Water Tank	167,500	9/2016	12/2016
Total Petroleum PR	6,500,000 Gal. Gasoline Tanks	5,482,300	11/2017	3/2019
Sartorius Stedim	150,000 Gal. Fire Water Tanks	310,000	10/2017	2/2018
Thermo King	200,000 Gal. Fire Water Tank	250,600	7/2018	10/2018
World Fuel Service	70,000 Gal. Jet Fuel Tanks	670,000	2/2019	6/2019
PREPA <sup>2</sup>	160,000 Gal. Condensate Water Tank, San Juan Plant	1,241,722	6/2019	6/2020
Destilería Serrallés	400,00 Gal. Fire Water Tank	513,900	3/2020	7/2020
PREPA	186,000 Gal. NPDES Tank, Palo Seco Plant	800,000	9/2020	On-Going
PREPA	230,000 Gal. Condensate Tank 6, Costa Sur Plant	845,013	10/2020	1/2021

<sup>1</sup>All tanks designed, fabricated, erected and painted by Alonso & Carus Iron Works, Inc.

<sup>2</sup>These works required full enclosure of the working area to perform the sandblasting and painting of the tank exterior surface. The works were performed with air compressors ranging in capacity from 185 to 375 cfm and airless spray and/or plural component equipment owned by A&C.

<sup>3</sup>These works required the design and construction of deep pile foundations and new concrete bases.

#### References:

1. Destilería Serrallés  
Alberto Torruella  
[alberto.torruella@serralles.com](mailto:alberto.torruella@serralles.com)
2. PREPA  
José Vázquez



ALONSO & CARUS Iron Works, Inc.

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[jose.vazquez@prepa.com](mailto:jose.vazquez@prepa.com)

3. Total Petroleum Puerto Rico  
Gianfranco Ungaro  
[gianfranco.ungaro@tpprc.com](mailto:gianfranco.ungaro@tpprc.com)
4. Puma Energy Caribe  
Rafael Arsuaga  
[rafael.arsuaga@pumaenergy.com](mailto:rafael.arsuaga@pumaenergy.com)
5. World Fuel Service  
Daniel Walsh  
[dwalsh@wfscorp.com](mailto:dwalsh@wfscorp.com)



**Rigoberto Rosado Ruiz**

**Civil Engineer RPA**

**HC.02 Box, 4834**

**Guayama ,P.R. 00784**

**Tel (787)-204-8350. E-mail. ingrrosado@hotmail.com**

## **EDUCATION**

Bachelor science in Civil Engineering from College of Engineering and Mechanical Arts *Puerto Rico University, Mayaguez, Puerto Rico. License no. 9895*

Skills ; bilingual (Spanish &English) reading & writing. Computer oriented Microsoft (Works, Microsoft project, Excel).

## **Work Experience**

**R.E ZEQUEIRA & Associates Corp. San Juan,P.R.**

**Esc.Rafael Hernandez Hormigueros,P.R**

**2014- up to December 2014**

**Resident Project Inspector Perform all construction task**

Inspection .Verify that work is done according to contract documents, drawings and specifications up-date the Progress schedule, prepare, verify and recommend the monthly certification for payment for the owner approval. Prepare several reports according to owner management request .Prepare and direct the weekly coordination meeting and revised the complying\_of submittals document with specifications.

**R.E. Zequeira & Associates Corp. San Juan P.R.**

**Esc. Rafael Irizarry Rivera Peñuelas, P.R.**

**2011-2012**

**Resident Project Inspector Perform all construction task**

inspections. Verify that work is done according to contract documents, drawings and specifications, up-date the Progress schedule, prepare, verify and recommend the monthly certification for payment for the owner approval. Prepare several reports according to owner management request .Prepare and direct the weekly coordination meeting and revised the complying\_of submittals document with specifications.

**Economic Construction.**

**Multifamily Housing. Coamo P.R.**

**Cost \$2,600,000.00**

**2007-2009**

Project Manager. Organize and direct the construction task, taking care of material purchasing and delivery to job site on time, Prepare the progress schedule, schedule of value and chart account coding. Organize and distribute the manpower for the currently construction activities that are performing due to progress schedule timing. Managing of project labor, equipment and material cost. Make preparation of the weekly employee payroll and monthly certification for payment and related documents. Prepare the submittal document as needed according to contract and project specification.

SDT Contractor  
La Esmeralda Carolina P.R.

Cost \$6,000,920.00  
2006 -2007.

Project Manager. Organize and direct the construction task, taking care of material purchasing and delivery to job site on time, Organize and distribute the manpower for the currently construction activities that are performing due to progress schedule timing. Managing of project labor, equipment and material cost. Make preparation of the weekly employee payroll and monthly certification for payment and related documents. Prepare the submittal document as needed according to contract and project specification.

Hato Rey Asphalt  
Riviera del Rio. Trujillo Alto, P.R

Cost: \$11,000,000.00  
Project Manager.  
2004-2006

Organize and direct the construction task, taking care of material purchasing and delivery to job site on time, Prepare the progress schedule, schedule of value and chart account coding. Organize and distribute the manpower for the currently construction activities that are performing due to progress schedule timing. Managing of project labor, equipment and material cost. Make preparation of the weekly employee payroll and monthly certification for payment and related documents. Prepare the submittal document as needed according to contract and project specification.

Avila Construction  
Paseo del Bosque. Santurce, P.R.

Cost: \$3,360,000.00  
Project Manager.  
2002-2004

Organize and direct the construction task, taking care of material purchasing and delivery to job site on time, Prepare the progress schedule, schedule of value and chart account coding. Organize and distribute the manpower for the currently construction activities that are performing due to progress schedule timing. Managing of project labor, equipment and material cost. Make preparation of the weekly employee payroll and monthly certification for payment and related documents. Prepare the submittal document as needed according to contract and project specification.

Coamo Plumbing  
Estancias de Coamex. Coamo, P.R.

Cost: \$1,000,000.00  
Project Engineer.  
2001-2002

Direct, perform and coordinate of field activities, taking care of construction and quality work, field surveying, site horizontal and vertical control, earthwork performing, Storm and sanitary system lay-out. Organize and distributing of manpower according to current construction activities.

Avance Construction  
Tank D3/D4 Combined Cycle. Aguirre, P.R.  
Cost: \$500,000.00  
Project Engineer.  
2000-2001

Direct, Perform and coordinate of field activities, taking care of construction and quality work, field surveying, site horizontal and vertical control, earthwork performing, Storm and sanitary system lay-out. Organize and distributing of manpower according to current construction activities.

Frama Construction  
El Nuevo Dia. New Building Office Facilities.  
Cost: \$4,000,000.00  
Project Engineer,  
1998-2000

Direct, perform and coordinate of field activities, taking care of construction and quality work, field surveying, site horizontal and vertical control, earthwork performing, Storm and sanitary system lay-out. Organize and distributing of manpower according to current construction activities.

Best Value Engineering Contractor. S.E.  
\Arroyo del Mar. Earthwork Movement. Project.  
Cost: \$721,000.00  
Subcontractor.  
1997-1998

Direct and perform all earthwork activities as backfill, compaction, horizontal control of site elevation, compaction test and heavy equipment coordination to perform the earthwork activities.

Best Value Engineering Contractor S.E.  
Cellular One. Corozal Cell Site.  
Cost: \$190,000.00  
Subcontractor  
1996-1997

Performing of foundation excavation, concrete matt foundation and pilaster construction, anchor bolts setting for the installation of Structural communication tower, Construction of computer concrete shelf and asphalt roadway site improvement.

Best Value Engineering Contractor S.E.  
San Sebastian Cell Site  
Cost: \$137,000.00  
Subcontractor  
1996

Performing of foundation excavation, concrete matt foundation and pilaster construction, anchor bolts setting for the installation of Structural communication tower, Construction of computer concrete shelf and asphalt roadway site improvement.

Constructora Orama. S.E. Jayuya, P.R.  
Basf Pharmaceutical Phase I, New Employee Facilities.  
Cost: \$1,000,000.00  
BVEC Managing Subcontract.  
1996.

Perform and organize the project office management related to all document required by owner, project contract document and specifications.

F&R Construction

CDT.Guaynabo,P.R.  
Metal forms Installation  
Cost: \$85,000.00  
Subcontractor.  
1996.  
Performing of metal forms installation for the structural wafer concrete slabs.

Redondo Construction..  
Treasury Department Parking Building.  
Metal forms Installation

Cost: \$175,000.00  
Subcontractor  
1996

Performing of metal forms installation for the structural wafer concrete slabs

Caribbean Constructor / New TEC Joint Venture  
Rapid Transit.

Cost: \$558,000.00  
Project Engineer.  
1995-1996  
Subcontractor.

Performing construction of sidewalk paving, bus stop concrete structure and site landscaping.

Caribbean Industrial Construction  
Johnson & Johnson Gurabo, P.R.  
General Construction Phase II,

Cost: \$1,442,000.00  
Project Manager.  
1994-1995

Organize and direct the construction task, taking care of material purchasing and delivery to job site on time, prepare the progress schedule, schedule of value and chart account coding. Organize and distribute the manpower for the currently construction activities that are performing due to progress schedule timing. Managing of project labor, equipment and material cost.  
Make preparation of the weekly employee payroll and monthly certification for payment and related documents. Prepare the submittal document as needed according to contract and project specification.

Caribbean Industrial Construction  
Johnson & Johnson Gurabo,P.R  
Gurabo Green Parking.

Cost: \$1,640,000.00  
Project Manager  
1994-1995

Performing of all activities related to earthwork movement, surveying excavation, site storm sewer construction, concrete spillway water discharge channel, landscaping and asphalt pavement construction.

Caribbean Industrial Construction  
Johnson & Johnson Gurabo, P.R  
Gurabo Site Foundation & Chemical Storage Bldg.

Cost: \$812,000.00  
Project Manager  
1994-1995

Organize and direct the construction task, taking care of material purchasing and delivery to job site on time, prepare the progress schedule, schedule of value and chart account coding. Organize and distribute the manpower for the currently construction activities that are performing due to progress schedule timing. Managing of project labor, equipment and material cost.  
Make preparation of the weekly employee payroll and monthly certification for payment and related documents. Prepare the submittal document as needed according to contract and project specification.

Caribbean Industrial Construction  
Searle Caguas, P.R. Bldg. B and Parking Area.

Cost: \$520,000.00  
1994  
Project Manager

Demolition of existing production facilities and construction of new one for a clean room in a shut down time period fast track project .

Caribbean Industrial Construction  
Praxair Humacao, P.R. Site Foundation and civil Installation.

Cost: \$860,000.00  
Project Manager  
1993-1994

Managing all activities related to earthwork movement, foundation excavation concrete tank foundation and concrete pedestal for mechanical plant equipment.

Caribbean Industrial Construction  
Proscar Merck. Arecibo, P.R.

Cost: \$1,720,000.00  
Project Manager  
1993

Demolition of existing production facilities and construction of new one for a clean room in a shut down time period fast track project.

Triangle Engineering  
Metropolitan Detention Center. Guaynabo, P.R.

Cost: \$38,000,000.00  
1989-1993  
Project Engineer.

Direct, perform and coordinate of field activities, taking care of construction and quality work, field surveying, site horizontal and vertical control, earthwork performing, Storm and sanitary system lay-out. Organize and distributing of manpower according to current construction activities.

Triangle Engineering  
The West Co. Inc. Warehouse. Vega Alta, P.R.

Cost: \$2,000,000.00  
1988-1989

**Project Engineer.**

**Direct, perform and coordinate of field activities taking care of construction and quality work, field surveying, site horizontal and vertical control, earthwork performing, Storm and sanitary system lay-out. Organize and distributing of manpower according to current construction activities.**

**Triangle Engineering**

**White Hall Laboratory. Guayama, P.R.**

**Cost: \$32,000,000.00**

**1987-1988**

**Field Engineer.**

**Direct and perform all concrete construction activities scheduled with several constructions crew, electrical and mechanical task.**



**ING. JOSÉ E. MARCANO MORALES, PE**

503 Calle Francisco Sein, San Juan, PR 00917 | 787-246-0717 | jmarcano10@gmail.com

**EDUCATION**

Polytechnic University of Puerto Rico  
**Bachelor of Science in Civil Engineering** **2009**

**TEACHING EXPERIENCE**

University of Puerto Rico, School of Architecture  
**Instructor - Construction skills** **2019**  
H. Klumb Residence structural evaluation and stabilization.

**RELATED EXPERIENCE**

ING JOSE E MARCANO MORALES  
**Principal** **2020 – Present**  
Consulting engineering services firm, including but not limited to architectural, structural analysis and design, construction drawings, conceptual cost estimate, condition assessment, evaluation and design development.

FORMA LLC  
**Principal, Co-Founder** **2014 – 2020**  
Design-Build services firm, including but not limited to architectural elements, structural design, construction drawings, cost estimate, condition assessment, evaluation and design development.

SSW Engineering & Construction LLC  
**Project Manager** **2010 – 2018**  
Responsible of structural steel fabrication and erection projects, including commercial, industrial, healthcare, bridges, government and military. Qualified Welding and Mechanical Fastener Inspector per AWS D1.1 Structural Welding Code and ANSI/AISC 303 Code for Standard Practice for Steel Buildings and Bridges.

Balfour Beatty Construction  
**Summer Intern – Project Engineer** **2008 – 2009**  
Review and maintain of contract documents, including submittals, shop drawings and RFI's.

UPR/PUPR/ATI, Professional Development Program  
**Researcher** **2008 – 2009**  
Analysis and evaluation of Development of on-Street Bicycle Lanes for Daily Use in the San Juan Metropolitan Area

**LANGUAGES**

Spanish– native language  
English–speak, read and write

**AFFILIATIONS**

American Concrete Institute  
American Institute of Steel Construction  
Professional College of Engineers and Land Surveyors of Puerto Rico

**LICENSES**

Licensed and Registered Professional Engineer- San Juan, PR

**TECHNICAL SKILLS**

AutoCAD, ETABS, SAP, Autodesk Robot, Microsoft Office



**GOBIERNO DE PUERTO RICO**

**JUNTA PARA LA INVERSIÓN EN LA INDUSTRIA PUERTORRIQUEÑA**

**RESOLUCIÓN**

**DE CERTIFICACIÓN PARA CONCEDER EL POR CIENTO DEL PARÁMETRO DE INVERSIÓN A LOS PRODUCTOS DE LA EMPRESA:**

**Alonso & Carus  
PO BOX 566  
CATAÑO P.R. 00963**

**Clasificación: Manufactura**

La Junta de Inversión en la Industria Puertorriqueña, en Referéndum del mes de diciembre de 2019, evaluó la solicitud de por ciento del parámetro de inversión por manufactura de los productos que más adelante se detallan. Evaluada la solicitud del peticionario y por la facultad que le confiere la Ley Núm. 14 de 8 de enero de 2004, según enmendada, se asigna:

**PARÁMETRO DE INVERSIÓN DE DIEZ por ciento (10%).**

Este parámetro de inversión de los productos manufacturados en Puerto Rico por el peticionario (con exclusión de cualquiera otro producto no incluido en esta Resolución) y que a continuación se describen, cuando se presente junto con una oferta o licitación responsiva, será aplicado al momento de la adjudicación en las compras del Estado Libre Asociado de Puerto Rico y sus agencias (según definidas por Ley).

	<b>Producto</b>	<b>Marca</b>	<b>Formas y Tamaño</b>
1	TODA FABRICACIÓN EN ACERO ESTRUCTURAL	ALONSO & CARUS	ESTRUCTURAS EN ACERO SEGÚN DISEÑO QUE PODRÍAN SER RECTANGULARES, CUADRADAS, O DE CUALQUIER OTRA FORMA, MULTIPISOS O DE UN SOLO PISO. TIENDAS POR DEPARTAMENTOS, FAST FOODS, RESTAURANTES, ETC.
2	SILOS	ALONSO & CARUS	VERTICALES DESDE 250 GALONES HASTA 15,000,000 DE GALONES



3	PAILERÍA	ALONSO & CARUS	PIEZAS EN ACERO DE CUALQUIER FORMA Y FIGURA GEOMÉTRICA DESDE UN ÁREA DE 36" CUADRADAS HASTA 864" CUADRADAS.
4	CHIMENEAS	ALONSO & CARUS	ESTRUCTURA CILÍNDRICA CON DIÁMETRO DESDE 6" A 20' Y ALTURA DESDE 5' HASTA 200'.
5	CONDUCTOS DE HUMO, AIRE, OTROS	ALONSO & CARUS	ESTRUCTURA CILÍNDRICA O CUADRADA CON DIÁMETROS DESDE 6" A 20' Y ALTURA DESDE 5' HASTA 200'.
6	ESCALERAS	ALONSO & CARUS	DESDE 10' HASTA 200' DE ALTURA. RECTAS O EN ESPIRAL.
7	PARRILLAS	ALONSO & CARUS	CUADRADAS O RECTANGULARES DESDE UN ÁREA DE 144" CUADRADAS HASTA 400' CUADRADOS
8	MEZANINE	ALONSO & CARUS	PISO INTERMEDIO MANUFACTURADO SUS BASES EN ACERO SEGÚN ESPECIFICACIONES DESDE 40' CUADRADOS EN ADELANTE.
9	PUENTES	ALONSO & CARUS	TODA FORMA Y LARGO SEGÚN ESPECIFICACIONES DEL CLIENTE
10	PIPE RACK	ALONSO & CARUS	ESTRUCTURA MANUFACTURADA EN ACERO QUE CONSISTE DE ANGULARES O TUBOS SOLDADOS JUNTOS PARA FORMAR UNA ESPECIE DE PUENTE QUE SIRVE DE APOYO A LÍNEAS DE TUBERÍAS. TODA ESPECIFICACIÓN POR EL CLIENTE DE FORMA Y LARGO.
11	TORRES	ALONSO & CARUS	DESDE 10' HASTA 300'



12	SOPORTES DE ESTRUCTURAS	ALONSO & CARUS	CUALQUIER ESTRUCTURA EN ACERO MANUFACTURADA PARA SERVIR DE BASE. PODRÍA SER DE CUALQUIER TAMAÑO Y FORMA DE ACUERDO A LAS ESPECIFICACIONES DEL CLIENTE.
13	PLATAFORMAS	ALONSO & CARUS	CUADRADAS Y RECTAGULARES DESDE UN ÁREA DE 16' CUADRADOS.
14	SANDBLASTING Y PINTURA	ALONSO & CARUS	TRABAJO EN SUPERFICIES DE ACERO DESDE 14" CUADRADOS
15	METAL DECK, STANDING SEAM	ALONSO & CARUS	TODO TIPO DE PLANCHAS DE TECHO PARA ESTRUCTURAS, CASAS, EDIFICIOS, ETC DESDE 36" DE ANCHO Y 5' LARGO
16	TANQUES DE PRESIÓN, BAJA PRESIÓN Y ATMOSFÉRICA	ALONSO & CARUS	DE CUALQUIER DISEÑO Y GALONAJE.
17	TANQUES EN ACERO NEGRO, ACERO INOXIDABLE, ALIACIONES Y CUALQUIER OTRO TIPO DE MATERIAL DE ACERO	ALONSO & CARUS	VERTICALES, HORIZONTALES, PARED SECILLA, PARED DOBLE, CON DIQUES, TODO TIPO DE FORMAS DE CUALQUIER GALONAJE.
18	EDIFICIOS PRE-FABRICADOS EN ACERO	ALONSO & CARUS	ESTRUCTURAS SEGÚN DISEÑO QUE PODRÍAN SER RECTANGULARES, CUADRADAS O CUALQUIER OTRO TIPO DE FORMA, MULTIPISOS O DE UN SOLO PISO SIN LIMITARSE A ESTO. CANCHAS DE DEPORTES BAJO TECHO, ANGARES, ENTRE OTROS.



19	ESCULTURAS EN ACERO	ALONSO & CARUS	ESTRUCTURA DE CUALQUIER DISEÑO, TAMAÑO Y FORMA EN ACERO. EJEMPLO, LAS LETRAS DE PONCE
20	PLATOS (PLATE WORKS), PLATES ROLLING, CNC CUT & DRILLED PLATES	ALONSO & CARUS	CUALQUIER TAMAÑO, ESPESOR, FORMA DE CORTE, BARRENADO Y ROLEADO.

Copia de esta Resolución, que enumera los productos para los cuales se concede el porcentaje de preferencia, deberá ser entregada a las Agencias de Gobierno cada vez que participe en un proceso de compras. Las Agencias vienen llamadas a adjudicar utilizando dicho parámetro según disposiciones reglamentarias. **Esta Resolución tendrá una vigencia de dieciocho (18) meses, hasta el 19 de junio de 2021. La petición de renovación del por ciento deberá hacerse no más tarde del 19 de marzo de 2021, noventa (90) días previos a la fecha de expiración.**

Esta Resolución deja sin efecto cualquier Resolución emitida previamente concediendo beneficios por el mismo concepto. Se le advierte al peticionario que hacer utilización de resoluciones previas puede resultar en procesos adjudicativos y sanciones. El beneficio del por ciento de parámetro de inversión aquí concedido no se entenderá como un medio para aumentar el precio del producto, sino como uno para enfrentarse a la competencia en los procesos de compras gubernamentales.

Si el recipiente del beneficio aquí concedido no estuviera de acuerdo con el mismo podrá solicitar reconsideración de la determinación de la Junta de Inversión dentro de quince (15) días calendario siguientes al recibo de esta notificación. La Junta deberá emitir una determinación por escrito sobre la solicitud de reconsideración presentada dentro de los quince (15) días de recibo de la solicitud. La determinación de la Junta será notificada al solicitante. De resultar adversamente afectado, el solicitante podrá recurrir ante el Tribunal de Primera Instancia, Sala Superior de San Juan, dentro de un término de treinta (30) días a partir de la fecha de la notificación de la Junta.



Resolución 10%  
Manufactura  
Alonso & Carus  
19 de diciembre de 2019  
Página 5 de 5



GOBIERNO DE PUERTO RICO  
JUNTA PARA LA INVERSIÓN EN LA INDUSTRIA PUERTORRIQUEÑA

### CERTIFICACIÓN

Yo, Milady Ojeda Canales, Secretaria Ejecutiva de la Junta para la Inversión en la Industria Puertorriqueña (JIIP), CERTIFICO que la Junta de Directores de la JIIP aprobó por Referéndum el 19 de diciembre de 2019, la concesión del parámetro de inversión presentada en esta Resolución.

Por tanto, esta Resolución entra en vigor inmediatamente después de su aprobación.

En San Juan, Puerto Rico, hoy, 19 de diciembre de 2019.

  
Milady Ojeda Canales  
Secretaria Ejecutiva de la Junta



Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

Contract: 00089351
Release :
Executed: 05/25/2021
Printed : 05/26/2021
Page : 1

Mail Invoice To:

AUTORIDAD DE ENERGIA ELECTRICA
DIVISION DE TESORERIA
P.O. BOX 70253
SAN JUAN PR 00936-8253

Vendor:

JORGE L. RAMOS
ALONSO CARUS IRON WORKS INC
PO BOX 566
CATANO PR 00963

Please Direct Inquiries to:

YADIRA L. LUGO-CORDERO
Y-LUGO@AEEPR.COM

Title: PROCUREMENT SUPV

Phone: (787) 521-3235

Ext:

Fax :

Work Location:

JEFE OFIC ADM DIR SIST ELECT
NEOM 606

CARR. NUM. 1, KM 15.1

C. SAN ROBERTO FINAL

MONACILLOS PR 00926

Title: STRUCTURAL REPAIRS WATER DEMI TANKS 1 & 2 COSTA SUR

Total Value : \$4,096,700.00 USD

\*\* NOT TO EXCEED \*\*

Pricing Method: ESTIMATE

Contract Type : SERVICES

Start Date: 04/30/2021

Project :

End Date : 09/30/2022

[Handwritten Signature]

Vendor Authorized Signature

Jorge L. Ramos, Jr., MSCE, PE / President

Printed Name/Title

May 28, 2021

Date Signed

(787) 788-1065

Phone

[Handwritten Signature]

Authorized Signature

Neftalí González Cruz JEFE DIVISION DE SUMINISTROS

Printed Name/Title

5/26/21

Date Signed

787.5415281

Phone

Insurance Requirements

Table with 4 columns: Coverage, Start, End, Insurance Description. Row 1: \$2,000,000, Start, End, ADDITIONAL INSURED. Row 2: \$1,000,000, 04/01/2021, 04/01/2022, AUTOMOBILE LIABILITY INSURANCE - COM





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\$2,000,000			CANCELLATION NOTICE
\$2,000,000			CONTRACTUAL ENDORSEMENT
\$2,000,000	04/01/2021	04/01/2022	COMMERCIAL GENERAL LIABILITY INSURAN
\$1,000,000	04/01/2021	04/01/2022	EMPLOYER'S LIABILITY INSURANCE
\$1,000,000	05/07/2021	05/07/2022	ENVIRONMENTAL LIABILITY
\$4,096,700			PAYMENT BOND
\$4,096,700			PERFORMANCE BOND
\$4,096,700			POWER OF ATTORNEY
\$2,000,000	05/01/2021	05/01/2022	PROFESSIONAL LIABILITY
\$2,000,000			WAIVER OF SUBROGATION
\$2,000,000			BREACH OF WARRANTIES
\$4,096,700	07/01/2020	06/30/2021	WORKMEN'S COMPENSATION INSURANCE OF

### *Scope of Work*

EMERGENCY PROCUREMENT PROCEDURE FOR THE STRUCTURAL REPAIR WATER DEMI TANKS  
1 Y 2 FOR COSTA SUR POWER PLANT

SE ADJUDICA ORDEN DE SERVICIO DE ACUERDO A NUESTRAS ESPECIFICACIONES,  
TÉRMINOS Y CONDICIONES SOLICITADOS Y ACEPTADOS POR LA COMPAÑÍA EN EL RFP  
0002983, REQ. NUM.: 241576 Y SEGÚN DISPOSICIONES DE LA CARTA CIRCULAR  
001-2021 DE LA OFICINA DE GERENCIA Y PRESUPUESTO.

#### DESGLOSE DE COSTOS:

- GENERAL CONDITIONS (INSURANCES, PROJECT MANAGEMENT, PERMITS,  
MUNICIPAL TAXES AND MOBILIZATION, INSPECTION KITS, DIESEL MULE):  
\$701,406.00
- TANK # 1 PILE CAP DEMOLITION WORK: \$95,564.00
- TANK # 2 PILE CAP DEMOLITION WORK: \$95,564.00
- TANK # 1 PILE SYSTEM: \$382,256.00
- TANK # 2 PILE SYSTEM: \$382,256.00
- TANK #1 EXPANSION TO PILE CAP: \$283,910.00
- TANK #2 EXPANSION TO PILE CAP \$283,910.00
- TANK #1 NEW ANCHOR CHAIRS & BOLTS: \$19,483.00
- TANK #2 NEW ANCHOR CHAIRS & BOLTS: \$19,483.00
- DESIGN - BUILD TANK #1 WITH INTERNAL / EXTERNAL COATING SYSTEMS:  
\$670,306.00
- DESIGN - BUILD TANK #2 WITH INTERNAL / EXTERNAL COATING SYSTEMS:  
\$670,306.00
- TANKS # 1 Y 2 FLEXIBLE INTERCONNECTIONS: \$95,564.00
- TANKS #1 Y 2 SOIL EMBANKMENT, SITE WORKS & NEW CONCRETE WALL:  
\$286,692.00
- ALLOWANCE: \$200,000.00
- ADDITIONAL COST PER LINEAR FEET OF PILE INSTALLATION: \$130.00 / LF





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16. CREDIT FOR LINEAR FEET OF PILE NOT INSTALLED: \$80.00 / LF

### TÉRMINOS DE PAGO

NETO 60 DÍAS, LUEGO DE APROBADA LA FACTURA POR PARTE DE LA AUTORIDAD. TODA FACTURA DEBERÁ DETALLARSE POR CONCEPTOS (SERVICIOS, MATERIALES, EQUIPO, ETC.), PARA LA APLICACIÓN DE RETENCIÓN EN EL ORIGEN APLICABLE BAJO LA LEY NÚM. 1-2011 Y DE LA APORTACIÓN ESPECIAL DE 1.5% BAJO LA LEY NUM. 48-2013. DE NO DETALLAR LA FACTURA, SE APLICARÁ LA RETENCIÓN Y APORTACIÓN A LA TOTALIDAD FACTURADA. SE RETENDRÁ DE CADA FACTURA EL DIEZ POR CIENTO (10%) HASTA COMPLETAR LA ACEPTACIÓN DEL PROYECTO.

### TIEMPO DE ENTREGA Y PENALIDAD POR ENTREGA TARDÍA

EL TIEMPO MÁXIMO DE ENTREGA REQUERIDO ES DE TRES CIENTOS CINCUENTA (350) DÍAS, LUEGO DE LA FECHA DE COMIENZO INDICADA EN LA CARTA DE MOVILIZACIÓN. APLICARÁ UNA PENALIDAD POR CADA DÍA DE ATRASO DE MIL OCHO CIENTOS DÓLARES (\$1,800.00), HASTA UN MÁXIMO DE DIEZ POR CIENTO (10%) DEL TOTAL DEL CONTRATO.

### INSTRUCCIONES GENERALES

1. LOS TRABAJOS SE REGISTRARÁN POR LOS CÓDIGOS CORRESPONDIENTES EN LA INDUSTRIA Y SEGÚN TODOS LOS DOCUMENTOS PUBLICADOS.
2. EL CONTRATISTA OBTENDRÁ Y MANTENDRÁ VIGENTE DURANTE LA DURACIÓN DEL CONTRATO LOS PERMISOS APROPIADOS DE TODAS LAS AUTORIDADES REGULADORAS MUNICIPALES, ESTATALES Y FEDERALES, PARA LA REALIZACIÓN DE LOS TRABAJOS CONTRATADOS.
3. EL CONTRATISTA ACUERDA LLEVAR A CABO TODOS LOS TRABAJOS CONTRATADOS EN CUMPLIMIENTO CON TODAS LAS LEYES, REGLAMENTACIONES U ORDENANZAS FEDERALES, ESTATALES Y MUNICIPALES DE SALUD Y SEGURIDAD.
4. EL CONTRATISTA AGRACIADO PROVEERÁ UN CERTIFICADO EN ORIGINAL FIRMADO POR UN REPRESENTANTE AUTORIZADO DE UNA COMPAÑÍA EN PUERTO RICO QUE DESCRIBA LA CUBIERTA DE LOS SIGUIENTES SEGUROS:
  - A. CORPORACIÓN DEL FONDO DEL SEGURO DEL ESTADO
  - B. SEGURO DE RESPONSABILIDAD PÚBLICA GENERAL - CON UNA CUBIERTA MÍNIMA DE \$1,000,000.00
  - C. SEGURO DE RESPONSABILIDAD PÚBLICA DE AUTOMOVIL - CON UNA CUBIERTA MÍNIMA DE \$1,000,000.00 - LIMITE SENCILLO COMBINADO
  - D. SEGURO DE RESPONSABILIDAD PATRONAL - CON UNA CUBIERTA MÍNIMA DE \$1,000,000.00 - LIMITE SENCILLO COMBINADO
  - E. SEGURO DE RESPONSABILIDAD PROFESIONAL - CON UNA CUBIERTA MÍNIMA DE \$1,000,000 POR RECLAMACIÓN Y AGREGADO
  - F. SEGURO DE RESPONSABILIDAD AMBIENTAL - CON UNA CUBIERTA MÍNIMA DE \$1,000,000 POR RECLAMACIÓN Y AGREGADO



## Contract

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G. TODAS LAS CERTIFICACIONES REQUERIDAS EN EL ARTÍCULO 48 DEL CONTRATO.

PERSONA CONTACTO AEE  
CARLOS NEGRÓN ALFONSO  
ADMINISTRADOR DE GENERACIÓN  
TELÉFONO: 787.521.

CONTRATISTA: ALONSO & CARUS, IRON WORKS  
TELÉFONO: 787. 788.1065

COMPRADORA AEE  
YADIRA L. LUGO CORDERO  
SUPERVISORA DE COMPRAS  
TELÉFONO: 787.521.3235  
EMAIL: YADIRA.LUGO@AEEPR.COM

\* \* \* End of Contract \* \* \*





# Project

4473DR-PR (4473DR) / PR Electric Power Authority (000-UA2QU-00) / **[171512] Costa Sur Tanks**



Quick Search...



Date 	Performed By 	Old Status 	New Status 	Note
05/13/2022 07:31 AM AST	RAMIREZ RIVERA, GUILLERMO	Applicant Signed Project	Obligated	Project obligated from EDW EMMIE Import.



**Attachment B**  
*(Redacted version submitted under seal)*

## Department of Homeland Security Federal Emergency Management Agency

### General Info

<b>Project #</b>	171513	<b>PW #</b>	615	<b>Project Type</b>	Work Completed / Fully Documented
<b>Project Category</b>	F - Utilities	<b>Applicant</b>	PR Electric Power Authority (000-UA2QU-00)	<b>Event</b>	4473DR-PR (4473DR)
<b>Project Title</b>	Costa Sur Work Completed	<b>Declaration Date</b>	1/16/2020	<b>Incident Start Date</b>	12/28/2019
<b>Project Size</b>	Large	<b>Incident End Date</b>	7/3/2020		
<b>Activity Completion Date</b>	1/16/2024				
<b>Process Step</b>	Obligated				

### Damage Description and Dimensions

The Disaster # 4473DR, which occurred between 12/28/2019 and 07/03/2020, caused:

#### Damage #426380; Control Room 5 & 6

##### General Facility Information:

- **Facility Type:** Building
- **Building Type:** Other: Not Listed
- **Facility:** Electrical plant control room
- **Facility Description:** Control Room 5 & 6 supports plant operations. The building appears to be reinforced concrete roof and floor with reinforced concrete (or concrete encased steel) beams and columns, with infill CMU block walls. The roof is flat with a rolled and sealed membrane, small perimeter curb, and rooftop equipment mounted on steel frames. The building is supported on a larger steel framed structure which supports other functions. The finished floor of the building is approximately 33 FT above ground level. The exterior finish consists of decorative fluted CMU block, 1 ½ IN decorative cementitious plaster trim, and ribbed metal siding over the top half. Interior finishes include a suspended ceiling with a 2 FT square grid, 17 IN square ceramic floor tiles, and drywall walls. All repairs are 99-100% complete. The building is approximately 173 FT long x 37 FT wide with a total area of approximately 6,401 SF.
- **Approx. Year Built:** 1969
- **Location Description:** Costa Sur Power Plant Complex- PREPA PR-127 Km 15.7 Bo. Tallaboa Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]
- **Number of Stories:** 1

##### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

##### Building Damage:

###### Bathrooms:

Site 13:

- Building Interior, 4 each of Standard toilets, were damaged by falling debris in each of the 4 bathrooms. Applicant has reconstructed all 4 bathrooms and installed new fixtures. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Site 14:**

- Building Interior, 4 each of Wall mounted integral vanity sinks and cabinets, were damaged by falling debris in each of the 4 bathrooms. Applicant has reconstructed all 4 bathrooms and installed new fixtures. Material appears to be laminated wood and cabinet measures 24 IN high x 24 IN wide x 24 IN deep. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Site 15:**

- Building Interior, 4 each of Wall medicine chests with mirror and shelf, were damaged by falling debris in each of the 4 bathrooms. Applicant has reconstructed all 4 bathrooms and installed new fixtures. Material appears to be laminated wood and cabinet measures 24 IN high x 18 IN wide x 6 IN deep. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Site 16:**

- Building Interior, 480 SF of 8 IN x 12 IN ceramic wall tiles, were damaged by collapsed partition walls. Applicant has reconstructed all 4 bathrooms and installed new wall tiles for the bottom 6 FT of the walls at approximately 120 SF of tile per each of the 4 bathrooms. Damage is the result of earthquake movement, 100% work completed.

**Contents:**

**Site 05- Main Control Room:**

- Contents, 6 each of 4 FT high computer monitor posts with top fitting monitor brackets and custom angled welded base plates, were damaged and broken by falling debris. Damage is the result of earthquake movement, 100% work completed.

**Site 06- Main Control Room:**

- Contents, 1 each of Unidad #6 equipment enclosure, shifted from original position. The applicant has anchored a steel L3x3x8 IN long clip angle to the concrete against the base of the cabinet to prevent movement in a future event. The angle is secured with (2)-1/2 IN diameter bolts. Damage is the result of earthquake movement, 100% work completed.

**Interior walls:**

**Site 01- Perimeter Walls:**

- Building Interior, 2,310 SF of 6 IN CMU block walls, 420 FT long x 5.5 FT high, at the top 5.5 FT of the 15 FT high interior wythe collapsed inward. Applicant has removed entire interior wythe of CMU and replaced with CFMF (cold formed metal framing) and painted drywall. Damage is the result of earthquake movement, 100% work completed.

**Site 02- Partition Walls:**

- Building Interior, 6 IN CMU block walls, 166 LF long, fractured and collapsed. Applicant has removed all CMU block interior partition walls and replaced them with CFMF and painted drywall at 10.5 FT high. Damage is the result of earthquake movement, 100% work completed.

**Interior:**

**Site 03:**

- Building Interior, 6,401 SF of Suspended ceiling system with 2 FT square fiber board acoustic tiles, 173 FT long x 37 FT wide, racked and collapsed in full and partial sections. Applicant has installed a completely new suspended ceiling system in-kind. Damage is the result of earthquake

movement, 100% work completed.

**Site 04- Above suspended ceiling:**

- Building Interior, 16 IN diameter flexible ductwork, 168 FT long, collapsed with ceiling. 24-secondary lines at 7 FT each, connecting the main trunk to 24-diffusers. The main sheet metal trunk remained intact, however, secondary flexible ductwork was damaged. Damage is the result of earthquake movement, 100% work completed.

**Site 20- Floors:**

- Building Interior, 60 SF of 17 IN square ceramic tiles, were damaged by collapsed walls and falling debris at 3 separate locations. Applicant has replaced broken tiles. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Kitchens:**

**Site 09:**

- Contents, 2 each of Electric range, was damaged by falling debris. Applicant has replaced the damaged ranges with Whirlpool model no. WFE 320MOJSO. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Site 10:**

- Contents, Kitchen base cabinets, 12 LF long, were damaged by falling debris. Applicant has replaced the damaged base cabinets with laminated wood cabinets and counter tops with stainless steel basin. West kitchen 5 LF + east kitchen 7 LF. Damage is the result of falling debris from earthquake movement, 100% work completed.
- Contents, Kitchen wall cabinets, 10 LF long, were damaged by falling debris. Applicant has replaced the damaged wall cabinets with laminated wood cabinets. West kitchen 5 LF + east kitchen 5 LF. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Site 11:**

- Contents, 2 each of Refrigerators, were damaged by falling debris. Applicant has replaced the damaged refrigerators with Frigidaire model: GLRT83TESG serial no. BA71404296. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Site 12:**

- Building Interior, 28 SF of 8 IN x 12 IN ceramic tile backsplash, 14 FT long x 2 FT high, was damaged by collapsed partition walls. West and east kitchen each measures 7 FT long. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Offices:**

**Site 17:**

- Contents, 8 each of Office cubicles, were damaged by falling debris. Applicant has replaced the damaged furniture in-kind. New cubicles consist of: 1) Metal framed desk with attached partition wall, 5.5 FT long + 3 FT long return. Desk surface is laminated wood. Partition is 5 FT tall, total 10.5 LF per cubicle. 2) Partition mounted lockable metal shelf/cabinet, 5.5 FT long. 3) Metal, under desk filing cabinet, letter size. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Site 18:**

- Contents, 26 each of Office chairs, were damaged by falling debris. Applicant has replaced the damaged furniture in-kind. Chair model no. MSC138SEAT, black, open mesh back with head rest, fabric seat, with arm rests, wheels and multiple adjustment. Damage is the result of earthquake movement, 100% work completed.

**Site 19:**

- Contents, 1 each of Conference table, was damaged by collapsed partition walls. Applicant has replaced the table in-kind. Table is laminated wood, measuring 10 FT x 4 FT, with electrical outlets mounted on top surface, and pedestal base. Damage is the result of falling debris from earthquake movement, 100% work completed.

**Roof:**

**Site 07- Roof surface:**

- Exterior Site, 6,401 SF of Sealed rolled membrane roof, 173 FT long x 37 FT wide, was damaged by earthquake movement and falling debris and equipment. The applicant replaced the roof after the event to protect improvements and sensitive electrical equipment inside the building. Damage is the result of falling debris and earthquake movement, 100% work completed.

**Site 08- Rooftop equipment:**

- Building Exterior, 16 each of Rooftop HVAC units, shifted off steel frames. Applicant has placed all 4 units back in place and has secured 2 of the 4 units with steel cleats welded to the support beams. Work to secure the other two units is pending completion. The installed cleats are 8 IN wide flange sections approximately 16 IN long cut and welded against the base of the equipment at each of the 4 corners to prevent movement in the north-south and east-west directions. Damage is the result of earthquake movement, 100% work completed.

**Damage #431107; Condensate Water Tank #5**

**General Facility Information:**

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Condensate Water Tank #5
- **Facility Description:** The facility is a 288,000 gallon water (ground) storage tank that has an approximate diameter (measured in google earth) of 35 feet and is estimated to be approximately 40 feet high. The tank appears to be constructed of welded steel panels anchored to a concrete pad that is about 3 feet thick visibly above the surrounding ground. One of the steel panels at ground level was measured to be 20 feet long and 8 feet high (steel panels are estimated to be ½ inch thick) and the tank was made up of 5 levels/rings of these panels stacked up to the top of the tank. The steel tank structure is anchored to the concrete pad with anchor bolts that are imbedded in the concrete and fastened to the tank through a bracket that is welded to the tank. The tank has a steel stairway with railing that is fastened to the side of the tank and spirals up the side of the tank to its top. The tank and all the tank's steel components appear to be coated with a gray or white paint.
- **Approx. Year Built:** 1970
- **Location Description:** Costa Sur Power Plant Complex - PREPA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico
- **GPS Latitude/Longitude:** [REDACTED]

**General Damage Information:**

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

**Facility Damage:**

**Site 1 - The perimeter of the tank bottom:**

- Ground Tank Anchors, 10 each of the pre-repair anchors estimated as 3/4 Inch diameter anchor bolts embedded into the reinforced concrete tank base and unknown length, extending above the concrete approximately 10 inches, and fastened to the tank through a metal bracket welded to the side of the tank, were bent and/or broken and/or the fastening

nut is missing. This damage was as a result of the seismic events., 100% work completed.

#### Site 2 - South-East side of tank lower portion of tank:

- Welded Steel Tank Wall, 1 each of Welded steel tank wall/shell section with access hatch/manhole (hatch estimated to be 32 inch diameter), 20 FT long x 8 FT high x 0.5 IN thick, where the side of the tank has buckled/bent and deformed affecting steel panels near the top of the tank. The thickness of the tanks steel panels was estimated to be 1/2 inch in thickness. This damage was as a result of the seismic events., 100% work completed.

### Damage #431109; Condensate Water Tank #6

#### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Condensate Water Tank #6
- **Facility Description:** The facility is an aboveground steel tanks used to store Condensate water. The electric power generation industry relies on Condensate Water Tank during process operations. Managing the water supply is critical under both normal operating conditions, and outages. The tank has an approximate diameter of 30 feet (measured using google earth) and is visually estimated to be ± 30 feet high. The tank appears to be spatial sheet structure, constructed of welded steel panels. Each steel panel was measured to be 20 feet long and 8 feet high (steel panels are estimated to be ½ inch thick) and the tank was made up vertically of 4 panels (levels/rings) stacked up to the top of the tank. To eliminate the threat from loads exerted by snow, wind, or earthquake which can cause tank overturn or sliding, the steel facility is anchored to a concrete pad using steel tank chairs (welded to the tank shell) with anchor-bolts impeded in ±3 feet thick concrete pad. The tank has piping connections and a steel stairway with railing that is fastened to the side of the tank and spiral alongside the tank to its top. The tank and all the tank's steel are painted. Applicant stated that the tank and foundation were damaged to a point where it was more feasible to replace the entire system rather than repair the individual components.
- **Approx. Year Built:** 1970
- **Location Description:** Costa Sur Power Plant Complex - PREPA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico
- **GPS Latitude/Longitude:** [REDACTED]

#### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

#### Facility Damage:

- Storage Tank, 1 each of Condensate Water Tank; damages include anchor bolts, two shell panels and foundation damages, damage is the result of ground movement induced by earthquake seismic forces, 100% work completed.

### Damage #431118; Unit #5 Boiler

#### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** PR Electric Power Authority
- **Facility Description:** Natural Gas powered Electric Power Generating Facility: " Unit #5 Boiler "
- **Approx. Year Built:** 1960
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]

#### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which



included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

#### Facility Damage:

##### Unit #5 Boiler:

- Unit #5 Boiler, Steam Production Boiler Natural Gas powered Electric Power Generating Facility: " Unit #5 Boiler " , The insulation is calcium silicate pipe covering with pre-galvanized steel shield., Per the Work Order Report and advised by the Applicant, the work associated with this DI has been repaired and is 100% Complete. Damage due Earthquake Seismic Movement. (see photos: 1 – 10 of 10) , 100% work completed.

#### Damage #431120; Unit #5 Main Power Transformer

##### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** PR Electric Power Authority
- **Facility Description:** Natural Gas powered Electric Power Generating Facility: "Unit #5 Main Power Transformer"
- **Approx. Year Built:** 1960
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]

##### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** Damage due Earthquake Seismic Movement.

#### Facility Damage:

##### Unit #5 Main Power Transformer:

- Unit #5 Main Power Transformer, Electrical Power Transformer Natural Gas powered Electric Power Generating Facility: "Unit #5 Main Power Transformer" , Power transformer plate radiator. Reinforced concrete square dike secondary containment 3FT H., Damage due Earthquake Seismic Movement. (see photos: 1 – 6 of 6) , 100% work completed.

#### Damage #431129; Unit #6 Boiler

##### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** PR Electric Power Authority
- **Facility Description:** Natural Gas powered Electric Power Generating Facility: "Unit #6 Boiler"
- **Approx. Year Built:** 1960
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]

##### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

#### Facility Damage:

##### Steam Production Boiler:

- Unit #6 Boiler, Unit #6 Boiler Natural Gas powered Electric Power Generating Facility: "Unit #6 Boiler" , The piping is 3FT(if I remember correctly) D extra strong. The insulation is

calcium silicate pipe covering with pre-galvanized steel shield and/or refractory mortar., Per the Work Order Report and advised by the Applicant, the work associated with this DI has been repaired and is 100% Complete. Damage due Earthquake Seismic Movement. (see photos: 1 – 5 of 5) , 100% work completed.

## Damage #431132; Unit #6 Main Power Transformer

### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** PR Electric Power Authority
- **Facility Description:** Natural Gas powered Electric Power Generating Facility: "Unit #6 Main Power Transformer"
- **Approx. Year Built:** 1960
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]

### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

### Facility Damage:

#### Unit #6 Main Power Transformer:

- Unit #6 Main Power Transformer, Unit #6 Main Power Transformer Natural Gas powered Electric Power Generating Facility: "Unit #6 Main Power Transformer" , N/A, Damage due Earthquake Seismic Movement. (see photos: 1 – 4 of 4) , 100% work completed.

## Damage #433256; Old DEMI Plant

### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** PR Electric Power Authority
- **Facility Description:** Natural Gas powered Electric Power Generating Facility: "Old DEMI Plant"
- **Approx. Year Built:** 1960
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]

### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas.

### Facility Damage:

#### Old DEMI Plant:

- Old DEMI Plant, Demineralization, Ion exchange tanks, piping and instrumentation part of a water demineralization treatment plant., Repaired failed piping and electrical controls, fitting vales and tank steel support. , 100% work completed.

## Damage #440253; Structure Unit 1

### General Facility Information:

- **Facility Type:** Building

- **Facility Type:** Building
- **Building Type:** Other: Not Listed
- **Facility:** Electrical plant control room
- **Facility Description:** Structure Unit 1
- **Approx. Year Built:** 1955
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]
- **Number of Stories:** 1

**General Damage Information:**

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas.

**Building Damage:**

- Building Exterior, 1 each of Gusset plates, columns and bracings with plastic deformations, bended with a structural concrete of approximately 2ft. , reconstruction steel repairs, structure unit 1, 100% work completed.

**Damage #440255; Structure Unit 2**

**General Facility Information:**

- **Facility Type:** Building
- **Building Type:** Other: Not Listed
- **Facility:** Steel Beam
- **Facility Description:** Structure Unit 2
- **Approx. Year Built:** 1956
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]
- **Number of Stories:** 1

**General Damage Information:**

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas.

**Building Damage:**

- Building Exterior, 1 each of gusset plates, columns and bracings with plastic deformations, bended with a structural concrete of approximately 2ft. , reconstruction steel repairs, structure unit 2 , 100% work completed.

**Damage #440257; Structure Unit 3**

**General Facility Information:**

- **Facility Type:** Building
- **Building Type:** Other: Not Listed
- **Facility:** Steel Beam
- **Facility Description:** Structure Unit 3
- **Approx. Year Built:** 1961
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]

- **Number of Stories:** 1

#### **General Damage Information:**

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas.

#### **Building Damage:**

- Building Exterior, 1 each of gusset plates, columns and bracings with plastic deformations, bended with a structural concrete of approximately 2ft. , reconstruction steel repairs, structure unit 3, 100% work completed.

### **Damage #440258; Structure Unit 4**

#### **General Facility Information:**

- **Facility Type:** Building
- **Building Type:** Other: Not Listed
- **Facility:** Steel Beam
- **Facility Description:** Structure Unit 4
- **Approx. Year Built:** 1962
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]
- **Number of Stories:** 1

#### **General Damage Information:**

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas.

#### **Building Damage:**

- Building Exterior, 1 each of gusset plates, columns and bracings with plastic deformations, bended with a structural concrete of approximately 2ft. , reconstruction steel repairs, structure unit 4 , 100% work completed.

## **Final Scope**

### **426380 Control Room 5 & 6**

#### **Work Completed**

The applicant utilized contracts for the repairs to Control Room 5 & 6 to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

#### **Contract:**

#### **Bathrooms:**

##### Site 13:

- A. Repaired and replaced 4 each of Standard toilets.

Site 14:

B. Repaired and replaced 4 each of wall mounted integral vanity sinks and cabinets made of laminated wood.

Site 15:

C. Repaired and replaced 4 each of Wall medicine chests with mirror and shelf, made of laminated wood.

Site 16:

D. Installed new wall tiles for the bottom 6 FT of the walls, 480 SF of 8 IN x 12 IN ceramic wall tiles.

**Contents:**

Site 05:

E. Replaced 6 each of 4 FT high computer monitor posts with top fitting monitor brackets and custom angled welded base plates.

Site 06:

F. Replaced 1 each of Unidad #6 equipment enclosure, shifted from original position. Anchored a steel L3x3x8 IN long clip angle to the concrete against the base of the cabinet to prevent movement in a future event. Secured with (2)-1/2 IN diameter bolts.

**Interior walls:**

Site 01:

G. Removed and replaced 2,310 SF of 6 IN CMU block walls, 420 FT long x 5.5 FT high, at the top 5.5 FT of the 15 FT high interior. Applied paint to drywall.

Site 02:

H. Removed and replaced 6 IN CMU block walls, 166 LF long. Applied paint to drywall at 10.5 FT high.

**Interior:**

Site 03:

I. Replaced 6,401 SF of Suspended ceiling system with 2 FT square fiber board acoustic tiles, 173 FT long x 37 FT wide.

Site 04:

J. Replaced 16 IN diameter flexible ductwork, 168 FT long. 24-secondary lines at 7 FT each, connecting the main trunk to 24-diffusers.

Site 20:

K. Replaced 60 SF of 17 IN square ceramic tiles.

**Kitchens:**

Site 09:

L. Replaced 2 each of Electric range. Whirlpool model no. WFE 320MOJSO.

Site 10:

M. Replaced kitchen laminated wood cabinets and counter tops base cabinets, 12 LF long, with stainless steel basin.

N. Replaced kitchen laminated wood cabinets 10 LF long.

Site 11:

O. Replaced 2 each of Refrigerators Frigidaire model: GLRT83TESG serial no. BA71404296.

Site 12:

P. Replaced 28 SF of 8 IN x 12 IN ceramic tile backsplash, 14 FT long x 2 FT high.

**Offices:**

Site 17:

Q. Replaced 8 each of Office cubicles, metal framed desk with attached partition wall, 5.5 FT long + 3 FT long return. Desk surface is laminated wood. Partition is 5 FT tall, total 10.5 LF per cubicle. Partition mounted lockable metal shelf/cabinet, 5.5 FT long. Metal, under desk filing cabinet, letter size.

Site 18:

R. Replaced 26 each of office chairs. Chair model no. MSC138SEAT, black, open mesh back with head rest, fabric seat, with arm rests, wheels, and multiple adjustment.

Site 19:

S. Replaced 1 each of laminated wood conference table, measuring 10 FT x 4 FT, with electrical outlets mounted on top surface, and pedestal base.

**Roof:**

Site 07:

T. Replaced 6,401 SF of Sealed rolled membrane roof.

Site 08:

U. Repaired 16 each of Rooftop HVAC units, shifted off steel frames.

**Total Damage Inventory: \$413,826.74**

**Work Completed Total: \$3,444,365.40**

**Project Notes:**

1. All costs associated with this project have been validated, see attachment labeled 171513-DR4473-DVS Summary Sheet (V0)-2
2. All procurement documents attached have been reviewed. See attachment labeled 171513-DR4473PR- Proceso Adquisiciones Bienes y Servicios a traves de RFP.pdf
3. Applicant (is claiming / is considering / will like to implement) Mitigation Measures. Hazard Mitigation Measures will be reviewed by 406 HMP.
4. Defining the basic requirements and limitations of the repaired work. They were implemented in the selection of materials, construction methods and safety requirements. Repairs are based on Construction Codes (PR Building Code, latest rev.) & Standards. (ASCE/SEI 41-17) Seismic Evaluation and Retrofit of Existing Buildings. (ASCE/SEI 7-16) Minimum Design Loads and Associated Criteria for Buildings and Other Structures
5. Maintenance documents have been provided. See attachment labeled 171513-DR4473PR - Maintenance records-procedures Doc (1).pdf
6. Work is 100% completed as of 2/24/2021.
7. Final Disposal Site for recycled material: Island Festival Recycling Road #181 - R860, Km 5.9 Las Cuevas Ward Trujillo Alto, PR 00976 Coordinates: 18.3593327, -65.9984935. See document labeled: 171513-DR4473-Recycled Material Final Disposal Site
8. Final Disposal Site for Republic Waste (now Easy Waste) 500 Ave. Baramaya Final Ponce, PR 00732 Coordinates: 18.0084893, -66.6566484. See document labeled: 171513-DR4473-Non Recycled Material Final Disposal Site.
9. Transformer's type: Non-PCB.
10. Material spilled was mineral oil. Approximate quantity was 50 gallons. Disposed at: Oil Energy Recycling, Calle Concordia #256, Ave. González Clemente, Mayaguez, PR 00680. 18.209708, -67.152350
11. No ground disturbance observed.



## 406 HMP Scope

As part of the Method of Repair (MOR) applicant installed a support to restrain enclosures and cabinet by using Steel angles to secure non structural elements. Also applicant did secure rooftop HVAC Units to the roof to avoid any future displacement by earthquakes. Hazard Mitigation was achieved through MOR. On the other hand Project was already completed and missed Hazard Mitigation opportunities

### 431107 Condensate Water Tank #5

#### Work Completed

The applicant utilized contracts for the repairs to Condense water tank #5 to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

#### Contract

##### Site 1-

- A. Replaced ground tank anchors, 10 each of the pre-repair anchors estimated as 3/4 Inch diameter anchor bolts.

##### Site 2-

- B. Repaired welded steel tank wall, 1 each of Welded steel tank, 20 FT long x 8 FT high x 0.5 IN thick. The thickness of the tanks steel panels was estimated to be 1/2 inch.

1. Contract: \$345,468.00

**DI Work Completed Total: \$345,468.00**

## 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

### 431109 Condensate Water Tank #6

#### Work Completed

The applicant utilized contracts for the repairs to Condense water tank #6 to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

#### Contract

- A. Replaced 1 each of Condensate Water Tank; damages include anchor bolts, and two shell panels.

1. Contract: \$845,013.00

**DI Work Completed Total: \$845,013.00**

## 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

### 431118 Unit #5 Boiler

## Work Completed

The applicant utilized contracts for the repairs to Unit #5 Boiler to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired steam production boiler natural gas-powered electric power generating facility: Unit #5 Boiler.

1. Contract: \$226,933.65

**DI Work Completed Total: \$226,933.65**

## 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

### 431120 Unit #5 Main Power Transformer

## Work Completed

The applicant utilized contracts for the repairs to Natural Gas-powered Electric Power Generating Facility to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired electrical power transformer plate radiator. Reinforced concrete square dike secondary containment 3FT H.

1. Contract: \$33,159.80

**DI Work Completed Total: \$33,159.80**

Scope Notes:

Material spilled was mineral oil. Approximate quantity was 50 gallons. See document labeled: 171513 DR4339PR Costa Sur Work Completed Response to CRC findings on Invoices and EHP related clarification.pdf

## 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

### 431129 Unit #6 Boiler

## Work Completed

The applicant utilized contracts for the repairs to Unit #6 Boiler to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired steam production boiler natural gas-powered electric power generating facility: Unit #6 Boiler.

1. Contract: \$481,932.68

**DI Work Completed Total: \$481,932.68**

## 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

## 431132 Unit #6 Main Power Transformer

### Work Completed

The applicant utilized contracts for the repairs to Natural Gas-powered Electric Power Generating Facility Unit #6 Main Power Transformer to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired containment walls failed. Oil leaks from radiators and oil pipe. Cracks of floor and walls of secondary containment

1. Contract: \$30,059.80

**DI Work Completed Total: \$30,059.80**

Scope Note:

1. Material spilled was mineral oil. Approximate quantity was 50 gallons. See document labeled: 171513 DR4339PR Costa Sur Work Completed Response to CRC findings on Invoices and EHP related clarification.pdf

### 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

## 433256 Old DEMI Plant

### Work Completed

The applicant utilized contracts for the repairs to Natural Gas-powered Electric Power Generating Facility: "Old DEMI Plant" to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired failed piping and electrical controls, fitting valves, and tank steel support.

1. Contract: \$212,912.05

**DI Work Completed Total: \$212,912.05**

### 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

## 440253 Structure Unit 1

### Work Completed

The applicant utilized contracts for the repairs to Structure Unit #1 beam to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired 1 each of reconstruction steel, structure unit. Gusset plates, columns and bracings with plastic deformations, bended.

1. Contract: \$226,635.29

**DI Work Completed Total: \$226,635.29**

#### 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

#### 440255 Structure Unit 2

##### Work Completed

The applicant utilized contracts for the repairs to Structure Unit #2 beam to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired 1 each of reconstruction steel, structure unit. Gusset plates, columns, and bracings with plastic deformations, bended.

1. Contract: \$226,635.29

**DI Work Completed Total: \$226,635.29**

#### 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

#### 440257 Structure Unit 3

##### Work Completed

The applicant utilized contracts for the repairs to Structure Unit #3 beam to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired 1 each of reconstruction steel, structure unit. Gusset plates, columns, and bracings with plastic deformations, bended.

1. Contract: \$200,894.55

**DI Work Completed Total: \$200,894.55**

#### 406 HMP Scope

Project was already completed and missed Hazard Mitigation opportunities

#### 440258 Structure Unit 4

##### Work Completed

The applicant utilized contracts for the repairs to Structure Unit #4 beam to restore this facility back to its pre-disaster design, function, and capacity (in-kind) within the existing footprint.

Contract

A. Repaired 1 each of reconstruction steel, structure unit. Gusset plates, columns, and bracings with plastic deformations, bended.

1. Contract: \$200,894.55

**DI Work Completed Total: \$200,894.55**

**406 HMP Scope**

Project was already completed and missed Hazard Mitigation opportunities

## Cost

Code	Quantity	Unit	Total Cost	Section
9001 (Contract (V0))	1.00	Lump Sum	\$413,826.74	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$345,468.00	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$845,013.00	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$226,933.65	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$33,159.80	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$481,932.68	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$30,059.80	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$212,912.05	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$226,635.29	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$226,635.29	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$200,894.55	Completed
9001 (Contract (V0))	1.00	Lump Sum	\$200,894.55	Completed

CRC Gross Cost	\$3,444,365.40
Total 406 HMP Cost	\$0.00
Total Insurance Reductions	\$0.00
<hr/>	
CRC Net Cost	\$3,444,365.40
Federal Share (90.00%)	\$3,099,928.86
Non-Federal Share (10.00%)	\$344,436.54



## Award Information

### Version Information

Version #	Eligibility Status	Current Location	Bundle Number	Project Amount	Cost Share	Federal Share Obligated	Date Obligated
0	Eligible	Notified		\$0.00	90 %	\$0.00	
1	Eligible	Awarded	PA-02-PR-4473-PW-00615(1252)	\$3,444,365.40	90 %	\$3,099,928.86	5/12/2022

### Drawdown History

EMMIE Drawdown Status As of Date	Obligation Number	Expenditure Number	Expended Date	Expended Amount
No Records				

## Subgrant Conditions

- As described in Title 2 Code of Federal Regulations (C.F.R.) § 200.333, 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 (3) 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 subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. Exceptions are stated in 2 C.F.R. §200.333(a) – (f)(1) and (2). All records relative to this project are subject to examination and audit by the State, FEMA and the Comptroller General of the United States and must reflect work related to disaster-specific costs.
- In the seeking of proposals and letting of contracts for eligible work, the Applicant/Subrecipient must comply with its Local, State (provided that the procurements conform to applicable Federal law) and Federal procurement laws, regulations, and procedures as required by FEMA Policy 2 CFR Part 200, Procurement Standards, §§ 317-326.
- The Recipient must submit its certification of the subrecipient's completion of this project, the final claim for payment, and supporting documentation within 180 days from the date that the applicant completes the scope of work, or the project deadline, whichever occurs first. FEMA reimburses Large Projects (those with costs above the large project threshold) based on the actual eligible final project costs. Therefore, during the final project reconciliation (closeout), the project may be amended to reflect the reconciliation of actual eligible costs.
- When any individual item of equipment purchased with PA funding is no longer needed, or a residual inventory of unused supplies exceeding \$5,000 remains, the subrecipient must follow the disposition requirements in Title 2 Code of Federal Regulations (C.F.R.) § 200.313-314.
- The terms of the FEMA-State Agreement are incorporated by reference into this project under the Public Assistance award and the applicant must comply with all applicable laws, regulations, policy, and guidance. This includes, among others, the Robert T. Stafford Disaster Relief and Emergency Assistance Act; Title 44 of the Code of Federal Regulations; FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide; and other applicable FEMA policy and guidance.
- The DHS Standard Terms and Conditions in effect as of the declaration date of this emergency declarations or major disaster, as applicable, are incorporated by reference into this project under the Public Assistance grant, which flow down from the Recipient to subrecipients unless a particular term or condition indicates otherwise.
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements set forth at Title 2 Code of Federal Regulations (C.F.R.) Part 200 apply to this project award under the Public Assistance grant, which flow down from the Recipient to all subrecipients unless a particular section of 2 C.F.R. Part 200, the FEMA-State Agreement, or the terms and conditions of this project award indicate otherwise. See 2 C.F.R. §§ 200.101 and 110.
- The subrecipient must submit a written request through the Recipient to FEMA before it makes a change to the approved scope of work in this project. If the subrecipient commences work associated with a change before FEMA approves the change, it will jeopardize financial assistance for this project. See FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide.
- Pursuant to section 312 of the Stafford Act, 42 U.S.C. 5155, FEMA is prohibited from providing financial assistance to any entity that receives assistance from another program, insurance, or any other source for the same work. The subrecipient agrees to repay all duplicated assistance to FEMA if they receive assistance for the same work from another Federal agency, insurance, or any other source. If an subrecipient receives funding from another federal program for the same purpose, it must notify FEMA through the Recipient and return any duplicated funding.

## Insurance

### Additional Information

4/12/2022

**GENERAL INFORMATION**

Event: 4473DR-PR

Project: CP 171513

Category of Work: Cat F - Utilities

Applicant: PR Electric Power Authority

Event Type: Earthquake / Earthquake

Cause of Loss: Earthquake

Incident Period: 12/28/2019 to 7/3/2020

Total Public Assistance Amount: Repairs Amount \$3,444,365.40

**COMMERCIAL INSURANCE INFORMATION**

Does the Applicant have a Commercial Policy: Yes

Policies Issued by: Mapfre, Willis Towers Watson and Multinational Insurance Company

Policies Numbers: Mapfre Praico Insurance Company (1398198000640)

Willis Towers Watson (B0804Q21251F19, B0804Q21426F19, B0804Q18529F19, B080423147F19, B0804Q11038F19, B0804Q23134F19, B0804Q23124F19, B0804Q18529F19, B0804Q23133F19, B0804Q21271F19, B0804Q21426F19, B0804Q14312F19)

Multinational Insurance Company (CP-319974-1, CP-319970-1, CP-327903-0, CP-319973-1, CP-327905-0, CP-319979-1, CP-318673-2, CP-319971-1, CP-327902-0, CP-327901-0, CP-318677-2, CP-319968-1)

Policy Period: From: Mapfre 5/31/2019 To: 5/31/2020

Policy Limits: \$300,000,000.00 combined single limit property damage and business interruption each and every occurrence which in turn excess of policy deductibles each and every occurrence.

RCV or ACV: Replacement Cost Value

Deductible Amount: \$25,000,000.00 each and every occurrence property damage and 30 days each and every occurrence business interruption in respect of Named Windstorm and Earthquake.

Does the Applicant's Commercial Policy extend coverage for the damage described in this project: Yes

The amount of the deductible being funded in this project is \$3,444,365.40

Final Insurance Settlement Status: Damages for this project do not exceed the deductible

The amount of Anticipated Insurance Reduction applied for Project: \$0.00

**NUMBER OF DAMAGED INVENTORIES INCLUDED IN THIS PROJECT: (12)**

**Damaged Inventory (DI) #426380:**

**Control Room 5 & 6**

Number of damaged locations included in this DI: (1)

Locations Description: Costa Sur Power Plant Complex- PREPA PR-127 Km 15.7 Bo. Tallaboa Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$413,826.74

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$413,826.74. Total remaining deductible \$19,071,681.09 (Deductible Remaining \$19,485,507.83 – Repairs Amount \$413,826.74); please see "PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-

Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Building, for the peril of Earthquake for the Control Room 5 & 6 in the amount of \$413,826.74.

-

Damaged Inventory (DI) #431107:

**Condensate Water Tank #5**

Number of damaged locations included in this DI: (1)

Locations Description: Costa Sur Power Plant Complex - PREPA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$345,468.00

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$345,468.00. Total remaining deductible \$18,726,213.09 (Deductible Remaining \$19,071,681.09 – Repairs Amount \$345,468.00); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-  
Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Condensate Water Tank #5 because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #431109:

**Condensate Water Tank #6**

Number of damaged locations included in this DI: (1)

Locations Costa Sur Power Plant Complex - PREPA, PR-127, Guayanilla, Peñuelas 00656, Puerto Rico

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$845,013.00

-  
Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-  
Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$845,013.00. Total remaining deductible \$17,881,200.09 (Deductible Remaining \$18,726,213.09 – Repairs Amount \$845,013.00); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Condensate Water Tank #6 because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #431118:

**Unit #5 Boiler**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$226,933.65

-  
Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-  
Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$226,933.65. Total remaining deductible \$17,654,266.44 (Deductible Remaining \$17,881,200.09 -- Repairs Amount \$226,933.65); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-  
Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Unit #5 Boiler in the amount of \$226,933.65.

-  
Damaged Inventory (DI) #431120:

**Unit #5 Main Power Transformer**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$33,159.80

-  
Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-  
Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is



\$33,159.80. Total remaining deductible \$17,621,106.64 (Deductible Remaining \$17,654,266.44 – Repairs Amount \$33,159.80); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-  
Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Unit #5 Main Power Transformer in the amount of \$33,159.80.

-  
Damaged Inventory (DI) #431129:

**Unit #6 Boiler**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$481,932.68

-  
Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-  
Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$481,932.68. Total remaining deductible \$17,139,173.96 (Deductible Remaining \$17,621,106.64 – Repairs Amount \$481,932.68); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-  
Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Unit #6 Boiler in the amount of \$481,932.68.

-  
Damaged Inventory (DI) #431132:

**Unit #6 Main Power Transformer**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$30,059.80

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$30,059.80. Total remaining deductible \$17,109,114.16 (Deductible Remaining \$17,139,173.96 – Repairs Amount \$30,059.80); please see "PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Unit #6 Main Power Transformer in the amount of \$30,059.80.

Damaged Inventory (DI) #433256:

**Old Demi Plant**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$212,912.05

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$212,912.05. Total remaining deductible \$16,896,202.11 (Deductible Remaining \$17,109,114.16 – Repairs Amount \$212,912.05); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-  
Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Old Demi Plant in the amount of \$212,912.05.

-  
Damaged Inventory (DI) #440253:

**Structure Unit 1**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$226,635.29

-  
Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-  
Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$226,635.29. Total remaining deductible \$16,669,566.82 (Deductible Remaining \$16,896,202.11 – Repairs Amount \$226,635.29); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-  
Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Structure Unit 1 because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #440255:

**Structure Unit 2**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$226,635.29

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$226,635.29. Total remaining deductible \$16,442,931.53 (Deductible Remaining \$16,669,566.82 – Repairs Amount \$226,635.29); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-

Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Structure Unit 2 because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #440257:

**Structure Unit 3**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: XXXXXXXXXX

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$200,894.55

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is

\$200,894.55. Total remaining deductible \$16,242,036.98 (Deductible Remaining \$16,442,931.53 – Repairs Amount \$200,894.55); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-  
Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Structure Unit 3 because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #440258:

**Structure Unit 4**

Number of damaged locations included in this DI: (1)

Locations Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656

GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$200,894.55

-  
Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-  
Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$200,894.55. Total remaining deductible \$16,041,142.43 (Deductible Remaining \$16,242,036.98 – Repairs Amount \$200,894.55); please see" PR Electric Power Authority - 4473DR-PR" file. No reduction is being made to this facility.

-  
Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Structure Unit 4 because facility does not meet the definition of building, equipment, contents, or vehicle.

Insurance Proceeds Statement:

FEMA acknowledges that the Applicant is in negotiations with their insurance carrier at the time of the FEMA insurance review and might have received partial settlements. In accordance with 44 CFR §206.250-253, in the absence of an actual settlement, anticipated insurance recoveries will be deducted from this project based on Applicant's insurance policy limits. FEMA subsequently adjusts the eligible costs based on the actual amount of insurance proceeds the Applicant receives after a final settlement.

FEMA's Recovery Policy FP 206-086-1, Public Assistance Policy on Insurance (June 29, 2015), requires applicants to take reasonable efforts to recover insurance proceeds that it is entitled to receive from its insurers. FEMA will consider final insurance settlements that may be less than the insurance policy limits when an applicant demonstrates that it has taken reasonable efforts to recover insurance proceeds that it is entitled on a case-by-case basis.

## Standard Insurance Comments

### FEMA Policy 206-086-1

#### **PART 2: Other Insurance-Related Provisions. (Sections 312 and 406(d) of the Stafford Act)**

**A. Duplication of Benefits.** FEMA cannot provide assistance for disaster-related losses that duplicate benefits available to an applicant from another source, including insurance.

1. Before FEMA approves assistance for a property, an applicant must provide FEMA with information about any actual or anticipated insurance settlement or recovery it is entitled to for that property.
2. FEMA will reduce assistance to an applicant by the amount of its actual or anticipated insurance proceeds.
3. Applicants must take reasonable efforts to recover insurance proceeds that they are entitled to receive from their insurer(s).

### FEMA Policy 206-086-1

**H. Subsequent Assistance.** When a facility that received assistance is damaged by the same hazard in a subsequent disaster:

1. If the applicant failed to maintain the required insurance from the previous disaster, then the facility is not eligible for assistance in any subsequent disaster.
2. Upon proof that the applicant maintained its required insurance, FEMA will reduce assistance in the subsequent disaster by the amount of insurance required in the previous disaster regardless of:
  - a. The amount of any deductible or self-insured retention the applicant assumed (i.e., "retained risk").

### Obtain and Maintain Requirements:

#### **44 CFR § 206.253 Insurance requirements for facilities damaged by disasters other than flood.**

(a) Prior to approval of a Federal grant for the restoration of a facility and its contents which were damaged by a disaster other than flood, the recipient shall notify the Regional Administrator of any entitlement to insurance settlement or recovery for such facility and its contents. The Regional Administrator shall reduce the eligible costs by the actual amount of insurance proceeds relating to the eligible costs.

(b)

(1) Assistance under section 406 of the Stafford Act will be approved only on the condition that the recipient obtain and maintain such types and amounts of insurance as are reasonable and necessary to protect against future loss to such property from the types of hazard which caused the major disaster. The extent of insurance to be required will be based on the eligible damage that was incurred to the damaged facility as a result of the major disaster. The Regional Administrator shall not require greater types and extent of insurance than are certified as reasonable by the State Insurance Commissioner.

(2) Due to the high cost of insurance, some applicants may request to insure the damaged facilities under a blanket insurance policy covering all their facilities, an insurance pool arrangement, or some combination of these options. Such an arrangement may be accepted for other than flood damages. However, if the same facility is damaged in a similar future disaster, eligible costs will be reduced by the amount of eligible damage sustained on the previous disaster.

(c) The Regional Administrator shall notify the recipient of the type and amount of insurance required. The recipient may request that the State Insurance Commissioner review the type and extent of insurance required to protect against future loss to a disaster-damaged facility, the Regional Administrator shall not require greater types and extent of insurance than are certified as reasonable by the State Insurance Commissioner.

(d) The requirements of section 311 of the Stafford Act are waived when eligible costs for an insurable facility do not exceed \$5,000.00. The Regional Administrator may establish a higher waiver amount based on hazard mitigation initiatives which reduce the risk of future damages by a disaster similar to the one which resulted in the major disaster declaration which is the basis for the application for disaster assistance.

(e) The recipient shall provide assurances that the required insurance coverage will be maintained for the anticipated life of the restorative work or the insured facility, whichever is the lesser.

(f) No assistance shall be provided under section 406 of the Stafford Act for any facility for which assistance was provided as a result of a previous major disaster unless all insurance required by FEMA as a condition of the previous assistance has been obtained and maintained.

Final Obtain and Maintain requirement amount will be determined during the closeout process after the final actual eligible costs to repair or replace the insurable facility have been determined.

### FEMA Policy 206-086-1



**F. Timeframes for Obtaining Insurance.** FEMA will only approve assistance under the condition that an applicant obtains and maintains the required insurance.

The applicant must document its commitment to comply with the insurance requirement with proof of insurance.

If an applicant cannot insure a facility prior to grant approval (for example, if a building is being reconstructed), the applicant may provide a letter of commitment stating that they agree to the insurance requirement and will obtain the types and extent of insurance required, followed at a later date by proof of insurance once it is obtained. In these cases, the applicant should insure the property:

- a. When the applicant resumes use of or legal responsibility for the property (for example, per terms of construction contract or at beneficial use of the property); or
- b. When the scope of work is complete.

FEMA and the recipient will verify proof of insurance prior to grant closeout to ensure the applicant has complied with the insurance requirement.

An applicant should notify FEMA—in writing through the recipient—of changes to their insurance which impact their ability to satisfy the insurance requirement after it provides proof of insurance to FEMA. This includes changes related to self-insurance. If an applicant fails to do this, FEMA may de-obligate assistance and not provide assistance in a future disaster.

Jean-Carlo Echevarria, PA Insurance Specialist

CRC Atlantic, Guaynabo, PR

## O&M Requirements

Insured Peril	Item Type	Description	Required Coverage Amount
Earthquake	Building	An Obtain & Maintain Requirement is being required for Building, for the peril of Earthquake for the Control Room 5 & 6 in the amount of \$413,826.74.	\$413,826.74
Earthquake	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Unit #5 Boiler in the amount of \$226,933.65.	\$226,933.65
Earthquake	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Unit #5 Main Power Transformer in the amount of \$33,159.80.	\$33,159.80
Earthquake	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Unit #6 Boiler in the amount of \$481,932.68.	\$481,932.68
Earthquake	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Unit #6 Main Power Transformer in the amount of \$30,059.80.	\$30,059.80
Earthquake	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Earthquake for the Old Demi Plant in the amount of \$212,912.05.	\$212,912.05

## 406 Mitigation

There is no additional mitigation information on **Costa Sur Work Completed.**

## Environmental Historical Preservation

Is this project compliant with EHP laws, regulations, and executive orders?

**Yes**

## EHP Conditions

- Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.
- This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize funding.
- If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archaeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

## EHP Additional Info

There is no additional environmental historical preservation on **Costa Sur Work Completed.**

## Final Reviews

### Final Review

Reviewed By MARTINEZ SANTIAGO, ISRAEL

Reviewed On 04/18/2022 10:57 AM AST

#### Review Comments

FEMA Final Review completed. Project ready for Recipient Review.

### Recipient Review

Reviewed By Cintron, Jesus

Reviewed On 04/20/2022 12:25 PM AST

#### Review Comments

Recipient Review Completed. Pending Applicant Final Review

## Project Signatures

Signed By Nieves, Ezequiel

Signed On 04/21/2022



Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

Contract: 00086283
Release :
Executed: 04/06/2020
Printed : 04/06/2020
Page : 1

Mail Invoice To:

Vendor:

AUTORIDAD DE ENERGIA ELECTRICA
DIVISION DE TESORERIA
P.O. BOX 70253
SAN JUAN PR 00936-8253

JR INDUSTRIAL CONTRACTORS INC
PO BOX 10490
PONCE PR 00732-0490

Please Direct Inquiries to:
ANGELICA ROSARIO DAVILA
AROSARIO16128@AEEPR.COM
Title: PROCUREMENT SUPV G3
Phone: 787-521-3034
Fax :

Ext:

Work Location:
SUPERINTENDENTE
NEOM 506
CARR. NUM. 1, KM 15.1
C. SAN ROBERTO FINAL
MONACILLOS PR 00926

Title: SERVICIOS A REQ. TRABAJOS REHABILITACION REFRACTARIO CALDERAS

Total Value : \$1,500,000.00 USD
Pricing Method: LUMP SUM

\*\* NOT TO EXCEED \*\*

Contract Type : SERVICES
Project :

Start Date: 04/06/2020
End Date :

Handwritten signature of Jose E. Ruiz Vazquez

Vendor Authorized Signature
Jose E. Ruiz Vazquez
Printed Name/Title

5/13/20 Date Signed
787-640-5887 Phone

Handwritten signature of Neftali Gonzalez Cruz

Authorized Signature
Neftali Gonzalez Cruz JEFE DIVISION DE SUMINISTROS
Printed Name/Title

4/6/2020 Date Signed
787-54-3268 Phone

Terms and Conditions - Text at End

Table with 4 columns: Fac, Standard, Rev S/P Text, Title. Rows include PH000001 with Title EQUAL OPPORTUNITY and PH000002 with Title COMPLIANCE WITH LAWS.



## Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

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### Terms and Conditions - Text at End

Fac	Standard	Rev	S/P	Text	Title
	PH000003	001	S	Y	PACKAGING, SHIPPING AND INVOICING INSTRUCTIONS
	PH000007	004	S	Y	APPLICABLE LAW
	PH000011	006	S	Y	CHANGES TO ORDER.
	PH000032	009	S	Y	DELIVERY
	PH000033	009	S	Y	FORCE MAJEURE
	PH000039	008	S	Y	PRICE & PAYMENT
	PH000056	008	S	Y	TAXES AND DUTIES
	PH000057	005	S	Y	TERMINATION
	PH000080	002	S	Y	QUALITY STANDARDS AND WARRANTIES 2

### Scope of Work

CONTRATO 0086283

REQ. 229024

TRABAJOS A REQUERIMIENTO REHABILITACIÓN REFRACTARIO CALDERAS

SE ADJUDICA CONTRATO SEGÚN LOS TÉRMINOS Y CONDICIONES SOLICITADOS Y ACEPTADOS POR SU COMPAÑÍA EN EL PROCESO DEL RFP 0002473. SUBASTA FORMAL ADJUDICADA POR EL COMITÉ BAJO LOS PROCEDIMIENTOS VIGENTES DE LA AUTORIDAD.

### ALCANCE DEL TRABAJO

THE CONTRACTOR SHALL FURNISH ALL, LABOR, MATERIALS, EQUIPMENT, TOOLS, PAYMENT OF MUNICIPAL TAXES AND PATENTS, SUPERVISION, TEST, SERVICES AND ALL THE NECESSARY PERMITS OF THE CORRESPONDING LOCAL, STATE, AND FEDERAL GOVERNMENT AGENCIES FOR PROVIDING THE MAN POWER REQUIRED TO INSPECT, REHABILITATE, REPAIR DUCTS AND OTHER PARTS OF THE BOILER AND PAINT BOILERS STACKS IN ALL POWER PLANTS, IN STRICT ACCORDANCE WITH THE PROVISIONS OF THIS CONTRACT, INCLUDING THE GENERAL CONDITIONS, SPECIAL CONDITIONS, PROPOSAL FORMS, CONTRACTOR'S BIDDING PROPOSAL, AND REFERENCE DRAWINGS, ALL OF WHICH ARE HEREBY MADE A PART OF THIS CONTRACT (SERVICES). PROVIDED THAT, ON OR BEFORE THE TERM OF THIS CONTRACT IS EXPIRED THE CONTRACTOR SHALL DELIVER TO PREPA A TRUE AND EXACT COPY OF ALL DIAGRAMS, PLANS, SKETCHES, MAPS, AND OTHER DOCUMENTS USED IN THE PERFORMANCE OF SERVICES AND FOR WHICH A THIRD PARTY COPYRIGHT OR PATENT RIGHT WOULD NOT BE AN IMPEDIMENT FOR SUCH DELIVERY.





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VER ANEJOS PARA TERMINOS, CONDICIONES ESPECIALES Y REQUISITOS DE PINTURAS.

### SEGUROS REQUERIDOS:

EL CONTRATISTA PROVEERÁ UN CERTIFICADO EN ORIGINAL FIRMADO POR UN REPRESENTANTE AUTORIZADO DE UNA COMPAÑÍA EN PUERTO RICO QUE DESCRIBA LA CUBIERTA DE LOS SIGUIENTES SEGUROS:

CORPORACIÓN DEL FONDO DEL SEGURO DEL ESTADO

SEGURO DE RESPONSABILIDAD PÚBLICA GENERAL - CON UNA CUBIERTA MÍNIMA DE \$1,000,000.00

SEGURO DE RESPONSABILIDAD PÚBLICA DE AUTOMÓVIL - CON UNA CUBIERTA MÍNIMA DE \$1,000,000.00 - LIMITE SENCILLO COMBINADO

*ASV* SEGURO DE RESPONSABILIDAD PATRONAL - CON UNA CUBIERTA MÍNIMA DE \$1,000,000.00 - LIMITE SENCILLO COMBINADO

### REQUISITOS DE FIANZAS:

1. SE LE REQUERIRA AL SUPLIDOR FIANZA DE EJECUCIÓN Y FIANZA DE PAGO DEL 100% DEL TOTAL DE LA ORDEN.

ESTOS SEGUROS Y FIANZAS DEBERÁN SER ENTREGADOS AL SUPERVISOR DE COMPRAS ANTES DE COMENZAR LOS TRABAJOS CONTRATADOS.

### TÉRMINOS Y CONDICIONES:

EL CONTRATISTA OBTENDRÁ Y MANTENDRÁ VIGENTE DURANTE LA DURACIÓN DEL CONTRATO LOS PERMISOS APROPIADOS DE TODAS LAS AUTORIDADES REGULADORAS MUNICIPALES, ESTATALES Y FEDERALES, RESPECTO A LOS SERVICIOS OFRECIDOS.

EN CASO DE INCUMPLIMIENTO DE SERVICIO O DE NO SER SATISFACTORIO, LA AUTORIDAD SE RESERVA EL DERECHO DE CANCELAR ESTE CONTRATO EN CUALQUIER MOMENTO SIN NECESIDAD DE NOTIFICACIÓN PREVIA.



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EL CONTRATISTA DISPONDRÁ DE TODO MATERIAL, EQUIPOS Y DEMÁS OBJETOS REMOVIDOS DURANTE EL SERVICIO, CUMPLIENDO CON LAS REGULACIONES Y LEYES AMBIENTALES VIGENTES. EL CONTRATISTA DISPONDRÁ ADECUADAMENTE DE LOS DESPERDICIOS GENERADOS DURANTE LA REALIZACIÓN DE LOS TRABAJOS DESCRITOS EN ESTE DOCUMENTO.

LOS CONTRATISTAS QUE VAYAN A SUBCONTRATAR ALGUNO DE LOS TRABAJOS O SERVICIOS OBJETO DE ESTA PUBLICACIÓN, TENDRÁ QUE ASEGURARSE DE QUE DICHS SUBCONTRATISTAS NO SEAN COMPAÑÍAS QUE ESTÉN SUSPENDIDAS DEL REGISTRO DE SUPLIDORES DE LA AUTORIDAD. LA AUTORIDAD NO ACEPTARÁ PROPUESTAS EN LAS QUE SE UTILICEN COMO SUBCONTRATISTAS COMPAÑÍAS QUE ESTÉN SUSPENDIDAS DEL REGISTRO DE SUPLIDORES DE LA AUTORIDAD.

EL CONTRATISTA SERA RESPONSABLE POR TODOS LOS DAÑOS QUE SE OCASIONE A PERSONAS O LA PROPIEDAD, COMO RESULTADO DE SU FALTA O NEGLIGENCIA EN RELACION CON EL TRABAJO QUE SE LLEVA A CABO.

*fel*  
TERMINO DE PAGOS: NETO 60 DIAS

EL SUPLIDOR DEBE QUE DESGLOSAR SU PRECIO ENTRE LO QUE ES LABOR Y MATERIALES, PARA LA APLICACIÓN DE LA APORTACIÓN ESPECIAL DE 1.5 % BAJO LA LEY NÚM. 48-2013. DE NO DESGLOSAR EL PRECIO SE APLICARÁ LA APORTACIÓN A LA TOTALIDAD COTIZADA.

EL CONTRATISTA ACUERDA LLEVAR A CABO TODOS LOS TRABAJOS CONTRATADOS EN CUMPLIMIENTO CON TODAS LAS LEYES, REGLAMENTACIONES U ORDENANZAS FEDERALES, ESTATALES Y MUNICIPALES DE SALUD Y SEGURIDAD.

CLAUSULA DE SERVICIOS INTERAGENCIALES:

AMBAS PARTES CONTRATANTES RECONOCEN Y ACCEDEN A QUE LOS SERVICIOS CONTRATADOS PODRÁN SER BRINDADOS A CUALQUIER ENTIDAD DE LA RAMA EJECUTIVA CON LA CUAL LA ENTIDAD CONTRATANTE REALICE UN ACUERDO INTERAGENCIAL O POR DISPOSICIÓN DIRECTA DE LA SECRETARIA DE LA GOBERNACIÓN. ESTOS SERVICIOS SE REALIZARÁN BAJO LOS MISMOS TÉRMINOS Y CONDICIONES EN CUANTO A HORAS DE TRABAJO Y COMPENSACIÓN CONSIGNADOS EN ESTE CONTRATO. PARA EFECTOS DE ESTA CLÁUSULA, EL TÉRMINO "ENTIDAD DE LA RAMA EJECUTIVA" INCLUYE A TODAS LAS AGENCIAS DEL GOBIERNO DE PUERTO RICO, ASI COMO A LAS INSTRUMENTALIDADES Y CORPORACIONES PÚBLICAS Y A LA OFICINA DEL GOBERNADOR.

CLÁUSULA DE TERMINACIÓN:





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LA SECRETARIA DE LA GOBERNACIÓN TENDRÁ LA FACULTAD PARA DAR POR TERMINADO EL PRESENTE CONTRATO EN CUALQUIER MOMENTO.

LEY 2-2018 CÓDIGO ANTICORRUPCIÓN PARA EL NUEVO PUERTO RICO:

1. EL CONTRATISTA SE COMPROMETE A CUMPLIR CON LAS DISPOSICIONES DE LA LEY NÚM. 2-2018, CONOCIDA COMO EL CÓDIGO ANTICORRUPCIÓN PARA EL NUEVO PUERTO RICO.
2. EL CONTRATISTA MANTENDRÁ VIGENTE EN EL REGISTRO DE PROVEEDORES DE LA AEE, UNA DECLARACIÓN JURADA, ANTE NOTARIO PÚBLICO, EN LA QUE INFORMARÁ SI LA PERSONA NATURAL O JURÍDICA O CUALQUIER PRESIDENTE, VICEPRESIDENTE, DIRECTOR, DIRECTOR EJECUTIVO, O MIEMBRO DE UNA JUNTA DE OFICIALES O JUNTA DE DIRECTORES, O PERSONAS QUE DESEMPEÑEN FUNCIONES EQUIVALENTES PARA LA PERSONA JURÍDICA, HA SIDO CONVICTA O SE HA DECLARADO CULPABLE DE CUALQUIERA DE LOS DELITOS ENUMERADOS EN LA SECCIÓN 6.8 DE LA LEY 8-2017, SEGÚN ENMENDADA, CONOCIDA COMO "LEY PARA LA ADMINISTRACIÓN Y TRANSFORMACIÓN DE LOS RECURSOS HUMANOS EN EL GOBIERNO DE PUERTO RICO", O POR CUALQUIERA DE LOS DELITOS CONTENIDOS EN ESTE O CUALQUIERA DE LOS DELITOS INCLUIDOS EN LA LEY 2-2018.
3. EL CONTRATISTA CERTIFICA QUE NO HA SIDO CONVICTO EN PUERTO RICO O EN LOS ESTADOS UNIDOS POR INFRACCIÓN A LOS ARTÍCULOS 4.2, 4.3 O 5.7 DE LA LEY 1-2012, SEGÚN ENMENDADA, CONOCIDA COMO LA LEY ORGÁNICA DE LA OFICINA DE ÉTICA GUBERNAMENTAL DE PUERTO RICO, CUALQUIER DE LOS DELITOS ENUMERADOS EN LOS ARTÍCULOS 250 A 266 DE LA LEY 146-2012, SEGÚN ENMENDADA, CONOCIDA COMO EL CÓDIGO PENAL DE PUERTO RICO, CUALQUIERA DE LOS DELITOS TIPIFICADOS EN LA LEY 2-2018, SEGÚN ENMENDADA, CONOCIDA COMO EL CÓDIGO ANTICORRUPCIÓN PARA EL NUEVO PUERTO RICO O CUALQUIER OTRO DELITO QUE IMPLIQUE EL MAL USO DE LOS FONDOS O PROPIEDAD PÚBLICA, INCLUYENDO, PERO SIN LIMITARSE, A LOS DELITOS MENCIONADOS EN LA SECCIÓN 6.8 DE LA LEY 8-2017, SEGÚN ENMENDADA, CONOCIDA COMO LA LEY DE ADMINISTRACIÓN Y TRANSFORMACIÓN DE RECURSOS HUMANOS EN EL GOBIERNO DE PUERTO RICO.
4. LA AUTORIDAD DARÁ POR TERMINADO EL CONTRATO EN CASO DE QUE EL CONTRATISTA RESULTE CONVICTO EN PUERTO RICO O EN LOS ESTADOS UNIDOS POR INFRACCIÓN A LOS ARTÍCULOS 4.2, 4.3 O 5.7 DE LA LEY 1-2012, SEGÚN ENMENDADA, CONOCIDA COMO LA LEY ORGÁNICA DE LA OFICINA DE ÉTICA GUBERNAMENTAL DE PUERTO RICO; CUALQUIERA DE LOS DELITOS ENUMERADOS EN LOS ARTÍCULOS 250 A 266 DE LA LEY 146-2012, SEGÚN ENMENDADA, CONOCIDA COMO EL CÓDIGO PENAL DE PUERTO RICO, CUALQUIERA DE LOS DELITOS TIPIFICADOS EN LA LEY 2-2018, CONOCIDA COMO CÓDIGO ANTICORRUPCIÓN PARA EL NUEVO PUERTO RICO O CUALQUIER OTRO DELITO QUE IMPLIQUE EL USO INDEBIDO DE FONDOS O PROPIEDAD



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PÚBLICA, INCLUYENDO, PERO SIN LIMITARSE A, LOS DELITOS MENCIONADOS EN LA SECCIÓN 6.8 DE LA LEY 8-2017, SEGÚN ENMENDADA, CONOCIDA COMO LA LEY DE ADMINISTRACIÓN Y TRANSFORMACIÓN DE RECURSOS HUMANOS EN EL GOBIERNO DE PUERTO RICO.

### Terms and Conditions - Text

PH000001 004 EQUAL OPPORTUNITY  
EQUAL OPPORTUNITY.

By accepting this Purchase Order, the Seller certifies that it will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, veteran status or in any way otherwise prohibited by law and will indemnify Buyer against any claims arising from such unlawful discrimination by Seller.

PH000002 005 COMPLIANCE WITH LAWS.  
COMPLIANCE WITH LAWS.

Seller warrants that the Materials, Services or Work Product shall be performed, produced, priced, sold and delivered in strict compliance with all applicable local, domestic and international laws, rules and regulations.

PH000003 001 PACKAGING, SHIPPING AND INVOICING INSTRUCTIONS  
PACKAGING, SHIPPING AND INVOICING INSTRUCTIONS

1. Receiving Documentation must be included with all Purchase Order deliverables.
2. All Receiving Documentation and shipping notices must include reference to the Purchase Order number and any applicable item number(s).
3. Each invoice must include the Purchase Order number and any applicable item number, receipted expense bill, and description shown on this Purchase Order. Delays in receiving invoices and errors or omissions on invoices shall be just cause for Buyer's withholding of payment, without loss of cash discount privilege.

PH000007 004 APPLICABLE LAW  
APPLICABLE LAW.





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This Order will be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico without regard to its principles regarding conflicts of laws. Exclusive jurisdiction and venue for any action arising hereunder will be in Puerto Rico, whether in Federal or Commonwealth Court.

PH000011 006 CHANGES TO ORDER.  
CHANGES TO ORDER.

*JL*  
No modifications, changes or substitutions of Materials, Services or Work Product or extra charges of any kind or change in or cancellation of or waiver of or exception to any of the terms or conditions of this Order will be recognized unless authorized by Buyer in writing. Buyer may direct, in writing, changes, including additions to or deletions from the quantities of Materials, Work Product or Services originally ordered, or in the specifications or drawings. Unless otherwise agreed to by the parties, if any such change causes an increase or decrease in the cost of, or the time required for performance hereunder, an equitable adjustment shall be made in the price and/or delivery schedule. Any claims for adjustment shall be asserted by Seller no later than thirty (30) days from the date of Seller's receipt of notice of such change. Nothing contained herein shall excuse Seller from proceeding with a change directed by Buyer prior to negotiation of any adjustment. Notwithstanding the foregoing, mutually agreeable adjustments for any changes under this Order may be made by a written Order revision from one party which is confirmed in writing by the other party.

PH000032 009 DELIVERY  
DELIVERY.

Seller agrees to provide for delivery of the Materials, Work Product or Services on the date(s) and to the address set forth in the Order. Seller shall bear all costs of shipping, transportation and packing unless otherwise provided in this Order. On all Materials delivered in error, or in excess of the quantity shown on Order, Buyer reserves the right to return the Materials at Seller's expense. Buyer's count shall be final and conclusive on any shipment not accompanied by the packing slip.

PH000033 009 FORCE MAJEURE  
FORCE MAJEURE.

Neither party shall be in breach of the Order to the extent that any delay or default in performance is due to Force Majeure. The term "Force Majeure" will mean any cause which is not within the control of the party



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claiming force majeure and which, by the exercise of due diligence, such party is unable to prevent or overcome, including but not limited to, flood, fire, tornado, governmental order, insurrections, riots and wars. Within seven (7) days of the commencement of an event of Force Majeure, the party affected thereby will provide the other party with written notice of the event. Any event of Force Majeure shall not affect Buyer's right of termination as set forth in TERMINATION Section hereof.

PH000039 008 PRICE & PAYMENT  
PRICE & PAYMENT.

The prices specified in the Purchase Order shall include all charges and expenses in connection with the packing and shipping of the Materials to Buyer. No additional charges of any kind will be allowed unless specifically agreed to in writing in advance. Payment will be made as set forth in this Order; however payment may be withheld or portions thereof may be deducted or setoffs may be made against Seller if Seller does not perform in accordance with this Order. The time for payment of invoices and acceptance of any applicable discounts shall be based on the date when the invoice is received and stamped by PREPA's Accounts Payable, and all pertinent information is correct on the invoice.

All invoices are to be sent to the following address: Puerto Rico Electric Power Authority, Treasury Division, PO Box 70253, San Juan, PR 00936.

PH000056 008 TAXES AND DUTIES  
TAXES AND DUTIES.

Seller shall be responsible for and pay directly, all corporate and individual taxes measured by net income or profit imposed by any governmental authority on Seller, its employees or subcontractors due to the execution of any agreement or the performance of or payment for work hereunder. Unless otherwise agreed in writing or prohibited by law, the price set forth in this Order shall not include any local tax (IVU) but Seller shall pay any federal tax, US Customs fees, Shipping Surcharge fees or other tax required to be imposed on the Materials, Services or Work Product.

Important:

PREPA is a government owned company exempt for pay taxes under Section 2906, Article 2 of Puerto Rico's Internal Revenue Service Code and Section 2508 of Law Number 117 of July 4, 2006 known as "Ley de Justicia Contributiva (IVU)"

PH000057 005 TERMINATION





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### TERMINATION.

Buyer may, at its option, cancel any unfulfilled Order, in which event Buyer's only obligation shall be to pay for Materials shipped or Work Product or Services performed prior to the receipt cancellation; provided, however, that if this Order covers Materials manufactured to Buyer's specifications, upon receipt of notice of cancellation, Seller shall stop all performance except as otherwise directed by Buyer, and if Seller is not in breach of this Order, Buyer shall pay Seller's actual, direct, unavoidable and reasonable costs resulting from such termination, not to exceed the total price of the Materials, Work Product or Services stated in this Order. Upon such payment, title to any Materials or Work Product, including uncompleted Materials or Work Product, shall pass to Buyer. In the event of default by Seller in the performance of any obligation hereunder, including time of delivery, or in the event it becomes apparent that delivery cannot be accomplished within the time specified, Buyer may, at its option, cancel this Order entirely, without penalty or liability (except for Materials received and accepted.) All provisions necessarily requiring survival beyond any termination of this Order, including, but not limited to, those relating to audit, choice of law, confidentiality, indemnity, title and warranty shall survive any such termination.

*J.C.H.* PH000080 002 QUALITY STANDARDS AND WARRANTIES 2

Rejected Material and Services or Work Product may be returned or re-performed at Seller's expense. The making or failure to make any inspection, approval, payment or acceptance of the Materials, Work Product or Services shall in no way impair Buyer's right to reject or revoke acceptance of non-conforming Materials, Work Product or Services or to avail itself of any other remedies to which Buyer may be entitled, notwithstanding Buyer's knowledge, the substantiality, or the ease of discovery of any non-conformity. If any time prior to one (1) year from the date of completion of any Services, or the earlier of one (1) year from the date of installation or eighteen (18) months from receipt of any Materials or Work Product if the Materials, Work Product or Services, or any part thereof, do not conform to these warranties or the specifications, Seller shall promptly correct such nonconformity to the satisfaction of Buyer at Seller's sole expense; failing which, Buyer may proceed to make corrections or accomplish Seller's work by the most expeditious means available, and the costs of cover or correction shall be for Seller's account. Seller's liability hereunder shall extend to all damages proximately caused by the breach of any of the foregoing warranties, including incidental damages such as removal, inspection, costs of return, warehousing and reinstallation. These warranties are in addition to, and shall not be construed as restricting or limiting any warranties of Seller, express or implied, or which are provided by law or



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exist by operation of law.

*ged*

\* \* \* End of Contract \* \* \*





Contract

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Mail Invoice To:

Vendor:

AUTORIDAD DE ENERGIA ELECTRICA
DIVISION DE TESORERIA
P.O. BOX 70253
SAN JUAN PR 00936-8253

5 SENSES SOLUTIONS LLC.
1795 AVE FRANCISCO PAZ GRANELA
SAN JUAN PR 00921

Please Direct Inquiries to:

JOEL D. PANTOJAS-CARABALLO
JPANTOJAS13525@AEEPR.COM

Title: PROCUREMENT SUPV G5

Phone: 787-521-3034

Ext:

Fax : 787-521-3171

Work Location:

JEFE OFIC ADM DIR SIST ELECT
NEOM 606

CARR. NUM. 1, KM 15.1

C. SAN ROBERTO FINAL

MONACILLOS PR 00926

Title: SERV REPARACIÓN DIQUES MPT'S 4, 5 AND 6 COSTA SUR POWER PLANT

Total Value : \$85,212.00 USD
Pricing Method: ESTIMATE

\*\* NOT TO EXCEED \*\*

Contract Type : SERVICES
Project :

Start Date: 04/23/2020
End Date : 06/30/2020

[Handwritten signature of Michelle Febres Rivera]

Vendor Authorized Signature

Michelle Febres Rivera - Presidente

Printed Name/Title

04/29/2020

Date Signed

787.466.9605

Phone

[Handwritten signature of Neftalí González Cruz]

Authorized Signature

Neftalí González Cruz JEFE DIVISION DE SUMINISTROS

Printed Name/Title

4/24/2020

Date Signed

787.521-3268

Phone



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ORDEN DE SERVICIO, MATERIALES Y EQUIPOS

REQ. 240520  
RFP 00002615

EMERGENCY PROCUREMENT PROCEDURES FOR COSTA SUR POWER PLANT UNIT 5  
REHABILITATION - SERVICIO DE REPARACIÓN DE DIQUES MPT'S 4, 5 & 6 CSPP.

SE ADJUDICA ESTA ORDEN DE ACUERDO A NUESTRAS ESPECIFICACIONES, TÉRMINOS Y  
CONDICIONES SOLICITADOS Y ACEPTADOS POR LA COMPAÑÍA PARA LA SOLICITUD RFP  
00002615.

INFORMACION DE PERSONA CONTACTO AEE:

ING. CARLOS A. NEGRÓN ALFONSO  
TEL. 787-521-6421 / 6406  
E-MAIL: CARLOS.NEGRON@PREPA.COM

COMPRADOR:

JOEL D. PANTOJAS CARABALLO  
SUPERVISOR DE COMPRAS PRINCIPAL  
TEL. 787-521-3317  
E-MAIL: JOEL.PANTOJAS@PREPA.COM

SUPLIDOR: 5 SENSES SOLUTIONS LLC.

TEL. 787-466-9605

DESGLOSE DE COSTOS:

1. MOBILIZATION, BONDS AND INSURANCES, MUNICIPAL TAXES - \$21,303.00
2. MPT 4 SECONDARY CONTAINMENT REPAIRS - \$17,479.50
3. MPT 5 SECONDARY CONTAINMENT REPAIRS - \$17,479.50
4. MPT 6 SECONDARY CONTAINMENT REPAIRS - \$28,950.00

CONTRACT SUM: \$85,212.00





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PROJECT NAME: MAIN POWER TRANSFORMERS (MPT) 4, 5 & 6 SECONDARY  
CONTAINMENT REPAIRS, SOUTH COAST POWER PLANT REHABILITATION

### SCOPE OF SUPPLY

#### A. MPT 4 - TASK 57

1. DIMENSIONS: 32 FT X 30 FT X 20 IN

#### 2. WORK DESCRIPTION

- A. HIGH PRESSURE WASHING TO LEAVE THE SURFACES FREE OF OIL, GREASE OR OTHER CONTAMINANTS, INCLUDING THE REMOVAL AND DISPOSAL OF OILY WATER
- B. PREPARE THE SURFACES WITH ABRASIVE BLASTING TO REMOVE THE EXISTING COATING AND FOR SURFACE PREPARATION.
- C. REMOVE ANY LOOSE CONCRETE FROM THE FLOOR AND PREPARE THE SURFACE TO FILL THE AREA WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTER EMACO T430, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION. (ASSUME AN AREA OF 6' X 6' AND AN AVERAGE OF 1.5" THICK)
- D. REPAIRS OF CRACKS ON WALLS AND FLOOR USING A PRODUCT EQUAL OR APPROVED EQUAL TO CONCRESEIVE 1380, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- E. AFTER ALL REPAIRS ARE DONE APPLY A PRODUCT TO SEAL THE CONCRETE SURFACES EQUAL OR APPROVED EQUAL TO MASTERSEAL 700CR, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- F. RECOAT SAFETY YELLOW PAINT ON DIKE'S EXTERIOR, HAND RAILS, AND STAIRS. PAINTS TO BE PROVIDED BY PREPA.
- G. DISPOSE OF DEBRIS AND CONTAMINATED WATER.

#### B. MPT 5 - TASK 48

1. DIMENSIONS: 60FT X 30FT X 32 IN

#### 2. WORK DESCRIPTION

- A. HIGH PRESSURE WASHING TO LEAVE THE SURFACES FREE OF OIL, GREASE OR OTHER CONTAMINANTS, INCLUDING THE REMOVAL AND DISPOSAL OF OILY WATER
- B. PREPARE THE SURFACES WITH ABRASIVE BLASTING TO REMOVE THE EXISTING COATING AND FOR SURFACE PREPARATION.
- C. REMOVE ANY LOOSE CONCRETE FROM THE FLOOR AND PREPARE THE SURFACE TO FILL THE AREA WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTER EMACO T430, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION. (ASSUME AN AREA OF 2' X 2' AND AN AVERAGE OF 1" THICK)
- D. REPAIRS OF CRACKS ON WALLS AND FLOOR USING A PRODUCT EQUAL OR APPROVED EQUAL TO CONCRESEIVE 1380, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- E. REPAIR THE LONGITUDINAL JOINT CRACK WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTERSEAL CR 195, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.





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- F. AFTER ALL REPAIRS ARE DONE APPLY A PRODUCT TO SEAL THE CONCRETE SURFACES EQUAL OR APPROVED EQUAL TO MASTERSEAL 700CR, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- G. RECOAT SAFETY YELLOW PAINT ON DIKE'S EXTERIOR, HAND RAILS, AND STAIRS. PAINTS TO BE PROVIDED BY PREPA.
- H. DISPOSE OF DEBRIS AND CONTAMINATED WATER.
- C. MPT 6 - TASK 58
1. DIMENSIONS: 60FT X 30FT X 32 IN
  2. WORK DESCRIPTION
- A. HIGH PRESSURE WASHING TO LEAVE THE SURFACES FREE OF OIL, GREASE OR OTHER CONTAMINANTS, INCLUDING THE REMOVAL AND DISPOSAL OF OILY WATER
- B. PREPARE THE SURFACES WITH ABRASIVE BLASTING TO REMOVE THE EXISTING COATING AND FOR SURFACE PREPARATION.
- C. REMOVE ANY LOOSE CONCRETE FROM THE FLOOR AND PREPARE THE SURFACE TO FILL THE AREA WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTER EMACO T430, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION. (ASSUME AN AREA OF 10' X 10' AND AN AVERAGE OF 1.5" THICK)
- D. REPAIRS OF CRACKS ON WALLS AND FLOOR USING A PRODUCT EQUAL OR APPROVED EQUAL TO CONCRESEIVE 1380, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- E. ON THE CONCRETE WALL AT THE NORTH EAST CORNER, CONSIDER THE PARTIAL DEMOLITION OF THE WALL TO FORMING IT BACK AND FILL IT WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTER EMACO S466, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION. (ASSUME A VOLUME OF 4.5 FT<sup>3</sup>).
- F. REPAIR THE LONGITUDINAL JOINT CRACK WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTERSEAL CR 195, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- G. AFTER ALL REPAIRS ARE DONE APPLY A PRODUCT TO SEAL THE CONCRETE SURFACES EQUAL OR APPROVED EQUAL TO MASTERSEAL 700CR, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- H. RECOAT SAFETY YELLOW PAINT ON DIKE'S EXTERIOR, HAND RAILS, AND STAIRS. PAINTS TO BE PROVIDED BY PREPA.
- I. DISPOSE OF DEBRIS AND CONTAMINATED WATER.
- D. REQUIREMENTS
1. ALL CHEMICAL PRODUCTS SHALL BE PREPA APPROVED OR PREPA CONDITIONALLY APPROVED.
  2. PRIOR TO PROJECT EXECUTION
    - A. LIST OF PERSONNEL AND EQUIPMENT.
    - B. DURING COVID-19 EMERGENCY, ALL PERSONNEL SHALL HAVE THEIR MEALS ON SITE. ONLY ONE PERSON IS ALLOWED TO EXIT PLANT'S PREMISES FOR MEALS OR FOOD.
    - C. THE CONTRACTOR SHALL FOLLOW PREPA'S SAFETY AND HEALTH PLAN

END OF SCOPE OF SUPPLY



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- o DURATION OF SERVICES - 60 DAYS

Main Power Transformers 4, 5 and 6  
Dikes Repair Works Costa Sur Power Plant

### TERMS AND CONDITIONS

#### ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Main Power Transformers 4, 5 and 6 dikes repair works at South Coast Power Plant. . In accordance with the specifications stated in Annex 1 herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

#### Article 2. Definitions

Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

2.1 Contracting Officer - shall mean the Chief Executive Officer/Executive Director of PREPA, acting directly or through his properly authorized agents.

2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference.

In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):

- a. Contract
- b. Terms and Conditions
- c. Special Conditions and Technical Specifications
- d. Instructions to Proponents
- e. Questions and Answers during the procurement process
- f. Contractor's Proposal
- g. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.

In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.





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- 2.3 Completion Date - date in which all tasks and project scope had completed.
- 2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.
- 2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.
- 2.6 Final Acceptance - shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.
- 2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving authority to begin the Work or separate portions of the Work, as established in this Contract.
- 2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.
- 2.9 Special Conditions - are all the specific requirements, regulations and/or directions covering particular conditions of the project.
- 2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.
- 2.11 Environmental Compliance Officer - PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.
- 2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

### ARTICLE 3: Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed \$85,212.00. PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any





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works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation for Main Power Transformers 4, 5 and 6 dikes repair works of South Coast Power Plant including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.

The invoices submitted by Contractor must be approved by the Engineer, and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents. PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's approval.

Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment. All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

No interest Certification:

Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Contract or a waiver has been previously obtained. I, also certify that the only consideration to provide the services under this Contract is the payment agreed with PREPA's authorized representative.

The total amount of this invoice is fair and correct. The works were completed, the services were provided and no payment has been received for said concept.

Contractor's Signature





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Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17563-555-354.

### ARTICLE 4: Commencement, Prosecution and Completion of Work

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).

The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

#### Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

### ARTICLE 5: Suspension of Work

The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.

### ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called for or shown in both. In case of any difference between drawings and Specifications, the specifications shall govern. In case of discrepancy in the specifications and drawings, the matter shall immediately be submitted to the Engineer, without whose





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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 he has received written orders from the Engineer. The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

### ARTICLE 7: Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by PREPA may include, but not limited to, changes:

1. In the specifications including drawings and design.
2. In the method or schedule of performance of the Works.
3. Acceleration in the performance of the Works.

Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agree by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to, when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

### ARTICLE 8. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and storage their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action to be





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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 opinion of PREPA, the orderly progress of the entire services requires the use of PREPA's own forces or by other contractors, 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.

### ARTICLE 9: Inspection

#### 9.1.1 Periodic Inspection

All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers. Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

#### 9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If,





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however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.

### ARTICLE 10. Submittals

The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith.

Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's





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approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

### ARTICLE 11: Superintendence by the Contractor

Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

### ARTICLE 12: Sanitary Facilities

The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

### ARTICLE 13: Access to Work

The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

### ARTICLE 14: Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event. Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to





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take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

### ARTICLE 15: Penalties for Delays

If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of \$1,000.00 for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.

In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only to appeal by the Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities





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### 16.1 Civil Responsibility

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

### 16.2 Indirect or Consequential Damages

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

### 16.3 Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.

### 16.4 Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.

### 16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

### 16.6 Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA. If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.

## ARTICLE 17: Independent Contractor

The Contractor shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or





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contracted by the Contractor for the performance of its obligations herein, shall not be considered as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

### ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party:

(i) becomes insolvent, or (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy. If PREPA terminates the Contract, PREPA shall pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.

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





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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.

### ARTICLE 19: 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:

#### 19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.

#### 19.2 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

#### 19.3 Commercial Automobile Liability Insurance:

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

#### 19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

#### Requirements Under the Policies:

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

##### a. As Additional Insured:

Puerto Rico Electric Power Authority  
Risk Management Office  
PO Box 364267

San Juan, PR 00936-4267

##### b. A 30 day cancellation or nonrenewable notice to be sent to the above





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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 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."

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 Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

Furnishing of Policies:

All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20: Permits and Licenses

The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.

### ARTICLE 21: Contingent Fees





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The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

### ARTICLE 22. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, 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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.

### ARTICLE 23: Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the





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existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests. If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.

### ARTICLE 24: Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

### ARTICLE 25: Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

### ARTICLE 26: Minimum Wage Rates

Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

### ARTICLE 27: Unfair Labor Practice





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In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.

Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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: Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions.

Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) 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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.

If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22 Transfer of Funds, of this Contract, shall apply.

### ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

### ARTICLE 30: Novation

The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood





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as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

### ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.

### ARTICLE 32: Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

### ARTICLE 34: Disputes

All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within 10 days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within 10 days thereafter, the Contracting Officer shall inform each Party hereto of





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his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages. In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.

### ARTICLE 35: Laws to be Observed

Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of 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 16, Liabilities, of this Contract. All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

### ARTICLE 36: Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

### ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.





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### ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39: Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

### ARTICLE 40: Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal





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wear and tear.

### ARTICLE 41: Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention:

PREPA's Generation Director

To Contractor: [Contractor's Name]  
[Mailing Address]

Attention: [Contractor's representative]

### ARTICLE 42: Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

### ARTICLE 43: Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations. Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

### ARTICLE 44: Safety Provisions

44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's 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 from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.
- b. It shall establish the mechanisms used to update and audit compliance with itself.



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- c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.
- 44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
  - b. Description of the activities
  - c. Occupational safety and health considerations to be addressed before commencement of the project.
  - d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
    - i. Occupational Exposure to Lead (29 CFR 1926.62)
    - ii. Scaffolds (29 CFR 1926 Subpart L)
    - iii. Confined Spaces (29 CFR 1910.146)
    - iv. Occupational Exposure to Noise (29 CFR 1910.95)
    - v. Hazardous Materials (29 CFR 1910 Subpart H)
    - vi. Personal Protective Equipment (29 CFR Subpart I)
    - vii. Hazard Communication (29 CFR 1910.1200)
    - viii. HAZWOPER (29 CFR 1910.120)
    - ix. Fire Protection (29 CFR 1910 Subpart L)
    - x. Commercial Diving (29 CFR 1910 Subpart T)
    - xi. Respiratory Protection (29 CFR 1910.134)
    - xii. Fall Protection (29 CFR 1926 Subpart M)
    - xiii. Electrical (29 CFR 1926 Subpart K)
    - xiv. Welding (29 CFR 1926 Subpart J)
    - xv. Excavations (29 CFR 1926 Subpart P)
    - xvi. Demolitions (29 CFR 1926 Subpart T)
    - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
    - xviii. Ventilation (29 CFR 1926.57)
    - xix. Tools, Hand, and Powered (1926 Subpart I)
    - xx. Electric Industry (29 CFR 1910.269)
    - xxi. Lockout/Tagout (29 CFR 1910.147)
    - xxii. Asbestos (29 CFR 1910.1001)
  - e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.
  - g. Copy of the Safety Data Sheets (SDS) of all chemical products to be





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used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).

h. Certification of compliance with medical surveillance requirements, according to scope of work.

i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.

j. Safety equipment and materials to be used during the project.

k. Procedures to verify the work area after each work day and at the end of the project.

l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.

m. 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.

44.3 Before commencement of work, the Contractor shall take part in a coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.

44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.

44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.

44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.





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44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

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

44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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

44.13 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.

44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.

44.15 Contractor will not cause or permit any hazardous chemical or





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product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.

### ARTICLE 45: Environmental Conditions

45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on, under, or about the project site, Contractor shall promptly notify PREPA in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.





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45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

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

45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.

45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.





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- 45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.
- 45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).
- 45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.
- 45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.
- 45.13 The contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.
- 45.14 All work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the Spill Prevention and Control and Countermeasure Plan (SPCCP).
- 45.15 The Contractor shall submit work plan and a spill prevention plan to the Environmental Engineer (SPCCP). The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.
- 45.16 All chemical products to be used shall be classified as "Approved" or "Conditional Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises.
- 45.17 The Contractor, upon completion of the work, must leave all the work area clean, organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.
- 45.18 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





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to perform this type of work.

45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.

45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).

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

45.22 All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.

45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.

45.24 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.

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

45.26 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 in the project. This report will include a copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.

45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be caused by process or work operations.

45.28 The Contractor shall be responsible to obtain all the necessary permits for the proposed activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).

45.28 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the state and federal codes for regulatory, warning and guide signs.

45.29 Water flooding of trenches with potable water will not be permitted.

45.30 All paints applied by sprayers shall be of a water-based type.

45.31 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.

45.32 Contractor shall take whatever steps, procedures, or means to





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prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.

45.33 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.

45.34 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.

45.35 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.

### ARTICLE 46: Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

### ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes, tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality





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control program is adequate and properly implemented.

The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.

ARTICLE 48: Compliance with the Commonwealth of Puerto Rico Contracting Requirements

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.

A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of

Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years.

The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending

OE-1991-24, the Contractor will certify and warrant 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. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Sub Contractor 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.

C. Government of Puerto Rico Municipal Tax Collection Center: The





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Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify 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, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA. 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 with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by 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 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.

D. Treasury Department Certification: The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that 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.

E. The Contractor shall provide a copy of Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

F. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.

G. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of





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subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME)).

H. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.

I. The Contractor shall present a Good Standing Certificate issued by the Puerto Rico Department of State.

J. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.

K. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

L. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.

M. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, 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/he immediate family (spouse, dependent children or other members of his/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 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.;

N. Act. 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People: The Contractor will certify that if there is any Judicial or Administrative Order demanding payment or any economic





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support regarding

Act 168-2000, as amended, the same is current and in all aspects in compliance.

Act 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.

O. Act. 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of 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 Act. No. 18 of October 30, 1975, as amended.

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

Q. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.

R. Anti-Corruption Code for a New Puerto Rico: 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 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.

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.

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.

PREPA shall have the right to terminate the Contract in the event





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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, 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.

S. 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.

T. Prohibition with respect to contracting with officers or employees: (3 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.

U. 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.

V. Prohibition with respect to evaluation and approval by public officers:

(3 L.P.R.A. 8615(f)):

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.





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W. Prohibition with respect to execution by public officers contracts with 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.

X. Provisions Required under Act 14-2004: 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, if they are available.

Y. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor expressly agrees that the conditions outlined above and 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 enough cause for PREPA to terminate this Contract.

ARTICLE 49: Termination by the Chief of Staff of the Governor of Puerto Rico and Interagency Services

The Chief of Staff shall have the authority to terminate this Contract at any time. PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

Both Parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities, and public corporations.

ARTICLE 50: Compliance with Applicable Federal Law, Regulations And Executive Orders. [REQUIRED FOR AGREEMENTS FUNDED IN WHOLE OR IN PART WITH FEMA and CDBG-DR FUNDS]

Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).





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A. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work 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. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and 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 section, in the sum of \$27 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 section.

C. Withholding for unpaid wages and liquidated damages. PREPA 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 prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

D. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) through (D) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime 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 section.

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





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with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall so certify to the tier above it. 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 (COR3). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.

Remedies. 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. Upon a material breach by Contractor, PREPA may utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommend suspension and debarment. Clean Air Act and the Federal Water Pollution Control Act.

A. 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.

B. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the COR3, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

C. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

Changes. At any time changes in the Services or work to be performed within the general scope of this Contract may be made in accordance with Article 7, Changes/Extra Work; provided, however, that no changes shall be made to the scope of the Services 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 or any other U.S. federal agency.

Sufficiency of Funds. The Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or





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local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Agreement. 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 harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this contract.

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.

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





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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.

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 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. Debarment, Suspension, and Ineligibility.

A. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor represents and warrants that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Contractor further 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 of this Contract, the Contractor will 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. The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

C. 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, an 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.

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

Review of Laws. The Contractor certifies 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 will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Contractor was able to find it





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online and read it as required.

Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations.

A. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, 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. Failure by the Contractor to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.

B. Applicable Regulations and Policy. 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) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
- (3) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.

Access to Records.

A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, 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 directly pertinent 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 Administrator, the Secretary of HUD, or his authorized representatives access to work sites pertaining to the work being completed under the Contract.

Retention requirements for records. 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 years from the date of submission by PREPA or the Puerto Rico Emergency Management Agency, on PREPA's behalf, of the final expenditure report for disaster declaration FEMA-4339-DR-PR, as reported to FEMA. 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. It is the responsibility of the Contractor to inquire of PREPA whether the aforementioned final expenditure report has been





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submitted.

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.

Procurement of Recovered Materials. In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired-

- A. Competitively within a timeframe providing for compliance with the Contract performance schedule;
- B. Meeting Contract performance requirements; or
- C. 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>.

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.

Equal Employment Opportunity. During the performance of this Contract, the Contractor agrees as follows:

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





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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 will 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 will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.

F. The Contractor will 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 will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor 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 will 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 will be binding upon each subcontractor or vendor. The Contractor will 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





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to protect the interests of the United States.

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.

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 of this Contract.

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.

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 his 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.

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. Compliance with Laws, Regulation and Executive Orders. The Contractor acknowledges that FEMA financial assistance will be used to fund this Contract. The Contractor shall comply will all applicable Federal and Government of Puerto Rico 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 regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

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.

Agreement to Execute Other Required Documents. Contractor and all subcontractors, by entering into the Contract, understand and agree that





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funding for the Services is provided under Federal programs with specific contracting requirements. To the extent any such requirement is not otherwise set forth herein, Contractor agrees to execute such amendments or further agreements as may be necessary to ensure that PREPA receives Federal funding for this Contract.

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.

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, Contractor, or any other party pertaining to any matter resulting from the contract.

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.

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.

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.

Davis Bacon Act And Copeland Anti-Kickback Act

A. Contractor. 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, which are incorporated by reference into this Contract.

B. Subcontracts. Contractor or subcontractors shall insert in any subcontracts the clause above and such other clauses as FEMA or HUD may by appropriate instructions require, and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

C. Breach. 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.

HUD 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





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

D. Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 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 CFR part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

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

F. Noncompliance with HUD's regulations in 24 CFR 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 subcontracts shall be given to Indian organizations and





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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).

### 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. Section 3 minimum contracting goals. 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





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(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. Eligibility for preference. 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 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.

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





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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 1 (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





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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





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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 1(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 1(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 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 at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of





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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,





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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





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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. Subcontracts. 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





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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.

I. 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. Disputes concerning labor standards. 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.

(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 1010, 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. Complaints, Proceedings, or Testimony by Employees. 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. Health and Safety. 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





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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.

Buy American-Construction Materials Under Trade Agreements (Oct 2016)

A. Definitions. As used in this Article-

1. 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-

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

b. Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.

3. 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





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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 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);

b. 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

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-

a. An unmanufactured construction material mined or produced in the United States;





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- 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.
9. 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.
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 (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





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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





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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) <sup>1</sup>
-----------------------------------	-----------------	----------	------------------------------

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).

### 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



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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.

### ARTICLE 51: Correlation of Documents

In case of discrepancy or in the event of conflict among the different Contract documents such as: Contract and the Contractors Proposal, these shall take precedence in the order given. The terms and conditions contained in the Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Proposal.

\* \* \* End of Contract \* \* \*







Contract

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Mail Invoice To:

AUTORIDAD DE ENERGIA ELECTRICA  
DIVISION DE TESORERIA  
P.O. BOX 70253  
SAN JUAN PR 00936-8253

Vendor:

NEIL BORRERO  
ALL CONTRACTORS SERVICES CORP  
PO BOX 276  
MERCEDITA PR 00715

Please Direct Inquiries to:

JOEL D. PANTOJAS-CARABALLO

Title: PROCUREMENT SUPV G5

Phone: [REDACTED]

Fax : [REDACTED]

Ext:

Work Location:

JEFE OFIC ADM DIR SIST ELECT  
NEOM 606  
CARR. NUM. 1, KM 15.1  
C. SAN ROBERTO FINAL  
MONACILLOS PR 00926

Title: REPAIR WORKS CONTROL ROOM 5&6, AND OTHERS COSTA SUR POWER PLANT

Total Value : \$328,215.00 USD

\*\* NOT TO EXCEED \*\*

Pricing Method: ESTIMATE

Contract Type : SERVICES

Start Date: 04/27/2020

Project :

End Date : 07/31/2020

Vendor Authorized Signature

NEIL BORRERO - PRESIDENTE

Printed Name/Title

05/10/2020

Date Signed

Phone

Authorized Signature

Neftalí González Cruz JEFE DIVISION DE SUMINISTROS

Printed Name/Title

5/7/2020

Date Signed

Phone

Scope of Work

ORDEN DE SERVICIO, MATERIALES Y EQUIPOS



## Contract

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REQ. 240574  
RFP 00002625

EMERGENCY PROCUREMENT PROCEDURES FOR COSTA SUR POWER PLANT UNIT 5  
REHABILITATION - REPAIR WORKS CONTROL ROOM 5 & 6 AND OTHERS - COSTA SUR  
POWER PLANT

SE ADJUDICA ESTA ORDEN DE ACUERDO A NUESTRAS ESPECIFICACIONES, TÉRMINOS Y  
CONDICIONES SOLICITADOS Y ACEPTADOS POR LA COMPAÑÍA PARA LA SOLICITUD RFP  
00002625.

### INFORMACION DE PERSONA CONTACTO:

ING. CARLOS A. NEGRÓN ALFONSO  
TEL. [REDACTED]  
E-MAIL: [REDACTED]

### COMPRADOR:

JOEL D. PANTOJAS CARABALLO  
SUPERVISOR DE COMPRAS PRINCIPAL  
TEL. [REDACTED]  
E-MAIL: [REDACTED]

SUPLIDOR: ALL CONTRACTORS & SERVICES CORP.  
TEL. [REDACTED]

### DESGLOSE DE COSTOS:

1. MOBILIZATION, BONDS AND INSURANCES, TAXES - \$22,000.00
2. EXTERNAL AND INTERIOR WORKS CONTROL ROOM 5-6 & ENGINEER ROOM AREAS  
(AS PER SCOPE) - \$158,000.00
3. CIVIL AND INTERIOR REPAIRS SHIFT ENGINEER AREA AND OPERATORS ROOM  
AREA (AS PER SCOPE) - \$89,700.00
4. COMPRESSOR ROOM DEMOLITION AND RECONSTRUCTION (AS PER SCOPE) -  
\$58,515.00

CONTRACT SUM: \$328,215.00





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Costa Sur Rehabilitation - Unit 5

PROJECT: Repairs to Control Consoles 5-6, Engineer Room, Shift Engineer and Operators Room; Compressor Room

### SCOPE OF WORK

A. TASK 26 & 28, External and Interior Works Control Room 5-6 & Engineer Room Areas

#### 1. Demolition

- a. Perimeter walls as shown on drawing (View detail 2)
- b. Control Consoles 5&6
- c. Internal wall that separates shift engineer room area (View detail 3 on drawing)
- d. Damage lighting fixtures and luminaries.
- e. North wall section marked on drawing with detail 5.

2. Control consoles 5&6, panels and devices shall be protected and isolated from water intrusion, demolition works and reconstruction. Consider using wood panels and polyvinyl clear liners of 6mm thick. Dust control system is required.

3. Supply and Install: Metallic frame 5-1/2", gage 18, track and stud reinforced @ 8 ft vertical and horizontal directions, with reinforced studs every 12" plus horizontal reinforced bars, doors and windows shall be reinforced with treated wood (View drawing detail 2 for area, assume 60" height)

4. North wall section shall be re built as shown on detail 5 shown on drawing.

5. Supply and Install: Plycem 2" thick for External Walls and Plycem 1/2" thick for internal partitions, Duro Rock or similar, with noise insulation type R13 and thermal insulated (View drawing detail 2 for area, assume 60" height).

6. Interior (approx. 10ft) and Exterior Walls (approx. 15ft) to be painted after primer, with two coats of paint, which the color and material shall be submitted by Contractor and approved by PREPA.

7. Supply and Install: Remove and replace main entrance sliding door, includes replacement of automatic entry/exit system.

8. Supply and Install: Acoustic ceiling tiles frames 2 ft x 2 ft, anchored every 4 ft in both directions, and reinforced with 2" studs every 12 sqft for Main Tee Owens and/or Armstrong, white, includes cross and main tees. Includes Foxboro system room area

9. Supply and Install: Acoustic ceiling tiles 5/8" Armstrong or approve equal. Shall include noise and thermal insulation.

10. Supply and Install: Lighting fixture panel 2ft x 2ft with LED white luminaires equal to 3500 lumens, 120/277 Volts/60 hz

11. Reinstallation of existing (not affected) luminaries and fixtures, flat type, independently anchored to acoustic frame.

12. Treatment of metallic structures with hand tools (dremmel) and



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polish. Two coats of anticorrosive treatment shall be applied to affected metallic structures.

13. Remove and install the loosen tiles on areas marked with detail 6 on drawing.

14. Clean and polish existing ceramic floor tiles.

15. Daily dust control system

### B. TASK 29, Civil and Interior Repairs Shift Engineer Area and Operators Room Area

#### 1. Demolition

a. Perimeter walls as shown on drawing (View detail 2)

b. Demolish operators kitchen wall as shown on drawing (View detail #3)

c. Removal and disposal of furniture and accessories of 4 bathrooms, includes mirrors, faucet, vanities and toilets

d. Removal of furniture and accessories kitchen area

e. Removal and disposal of damaged furniture, cabinets, file cabinets, accessories, luminaries' system

f. Internal wall that separates shift engineer room area

g. Damage lighting fixtures

2. Non damaged furniture, equipment and devices shall be protected and isolated from areas to be impacted, from water intrusion, demolition works and reconstruction. Consider using wood panels and polyvinyl clear liners of 6mm thick. Dust control system is required.

3. Supply and Install: Metallic frame 5-1/2", gage 18, track and stud reinforced every 8ft vertical and horizontal directions, with reinforced studs every 12" plus horizontal reinforced bars, doors and windows shall be reinforced with treated wood (View drawing detail 2 for area, assume 60" height)

4. Supply and Install: Plycem 2" thick for External Walls and Plycem 2" thick for internal partitions, Duro Rock or similar, with noise insulation type R13 and thermal insulated (View drawing detail 2 for area, assume 60" height).

5. Tarnish (empañetado) exterior walls with cementitious reinforced driver with fiber adhesive. Includes finishing, primer, and color painted. Color to be choose by PREPA.

6. Repair cracks on all affected concrete walls (See detail 1 on drawing).

7. Interior (approx. 10ft) and Exterior Walls (approx. 16ft) to be painted after primer, with two coats of paint, which the color and material shall be submitted by Contractor and approved by PREPA.

8. Supply and Install: 1 A1 emergency exit door (reuse exit mechanism) and 1 A1 for small storage room.

9. Supply and Install: 4 A1 doors for bathrooms

10. 4 Bathrooms:





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- a. Supply and Install: vanities; toilets; mirrors; faucet and accessories; 110 cfm exhaust fan (one for each bathroom) similar as existing
  - b. Bathrooms 1 and 3: demolition of structural affected walls, reconstruct and install new tiles similar to existing.
  - c. Repairs of all nonstructural cracks on wall
  - d. Clean and polish floor tiles
  11. Kitchen
    - a. Supply and Install: high density pvc wall and floor cabinets with Formica or similar terminations; high density counter top with Formica Al metal color termination or similar, 8 ft ea.
    - b. Supply and install ceramic tile back splash wall
    - c. Supply and Install: Kitchen faucet and sink
    - d. Clean and polish floor tiles
    - e. Install a new Wall according to detail 3 on drawing.
  12. Supply and Install: Acoustic ceiling tiles frame suspension 2 ft x 2 ft, anchored every 4 ft in both directions, and reinforced with 2" studs every 12 sqft for Main Tee Owens and/or Armstrong, white, includes cross and main tees.
  13. Supply and Install: Acoustic ceiling tiles 5/8" Armstrong or approve equal. Shall include noise and thermal insulation.
  14. Supply and Install: Lighting fixture panel 2ft x 2ft with LED white luminaires equal to 3500 lumens, 120/277 Volts/60 hz
  15. Reinstallation of existing (not affected) luminaries and fixtures, flat type, independently anchored to acoustic frame.
  16. Treatment of metallic structures with hand tools (i.e. dremmel) and polish. Two coats of anticorrosive treatment shall be applied to affected metallic structures.
  17. Clean and polish existing ceramic floor tiles.
  18. Daily dust control system
- C. TASK 27, Compressor Room Demolition and Reconstruction
1. Demolition: 8 walls (marked) at the perimeter walls and small storage room (walls area is 1,700 ft<sup>2</sup> approximately).
  2. Clean with high pressure wash, repairs and finishing of remaining concrete walls and columns
  3. Pipelines on north wall shall be re-anchored with hangers from horizontal steel column on ceiling.
  4. Compressor electrical conduits, pipelines, and exhaust ducts shall be re-fixed and re-anchored on horizontal steel beam on ceiling.
  5. Daily dust control system
  6. Remaining walls shall be primed and painted. Color: white
- D. Additional Requirements



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1. Contractor shall supply all necessary labor, supervision, equipment, materials, parts, tools, consumables, office trailer, and bathroom facilities
2. Removal and disposal of debris; damage furniture, accessories and equipment; and industrial waste are Contractor's responsibility.
3. Contractors shall follow at all times Costa Sur Safety and Health Regulations, including COVID-19 protocol.
4. Personnel shall remain in the plant premises at all time. For food it is allowed only one person out of the plant at lunch time during working periods.
5. Works shall be done in ten hours shift, 6 days a week., and be completed in a maximum of 75 days.
6. Work priority are the Control Console and Foxboro room areas 5-6
7. Contractor is responsible of Municipal Taxes, other taxes (i.e. 1.5% Service Tax), Workmen Compensation Insurance Policy (CFSE, in Spanish), Insurances and Bonds
8. Contractor shall submit a weekly project update report.
9. Submittals of works to be done and products to be used shall be presented for PREPA approval before execution. PREPA shall have a maximum of 48 hrs for approval.
10. Submittal approval process is included within the 75 days of project execution . Contractor shall commence with Tasks 26, 28 and 29 (Priority)

### WITNESSETH

THEREFORE, IN CONSIDERATION of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, successors, and assignees, as follows:

### TERMS AND CONDITIONS

#### ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, municipal and service taxes, and superintendence, required for the Repairs to Control Consoles 5-6, Engineer Room, Shift Engineer and Operators Room; Compressor Room at the Costa Sur Power Plant. In accordance with the specifications stated in herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

#### Article 2. Definitions





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Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

- 2.1 Contracting Officer - shall mean the Chief Executive Officer/Executive Director of PREPA, acting directly or through his properly authorized agents.
- 2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):
- a. Contract
  - b. Terms and Conditions
  - c. Special Conditions and Technical Specifications
  - d. Instructions to Proponents
  - e. Questions and Answers during the procurement process
  - f. Contractor's Proposal
  - g. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.

In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.

- 2.3 Completion Date - date in which all tasks and project scope had completed.
- 2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.
- 2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.
- 2.6 Final Acceptance - shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.
- 2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving authority to begin the Work or separate portions of the Work, as established in this Contract.
- 2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.
- 2.9 Special Conditions - are all the specific requirements, regulations and/or directions covering particular conditions of the project.
- 2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.





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2.11 Environmental Compliance Officer - PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.

2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

### ARTICLE 3: Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed \$328,215.00. PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation Repairs to Control Consoles 5-6, Engineer Room, Shift Engineer and Operators Room; Compressor Room at Costa Sur Power Plant including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.

The invoices submitted by Contractor must be approved by the Engineer, and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents. PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's





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approval.

Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment. All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

No interest Certification:

Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Contract or a waiver has been previously obtained. I, also certify that the only consideration to provide the services under this Contract is the payment agreed with PREPA's authorized representative.

The total amount of this invoice is fair and correct. The works were completed, the services were provided and no payment has been received for said concept.

Contractor's Signature

Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17563-555-354.

ARTICLE 4: Commencement, Prosecution and Completion of Work

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on seventy-five (75) days on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).

The Contractor must provide and install construction and maintenance signs





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in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

### Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

### ARTICLE 5: Suspension of Work

The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.

### ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called for or shown in both. In case of any difference between drawings and Specifications, the specifications shall govern. In case of 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 he has received written orders from the Engineer. The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

### ARTICLE 7: Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by PREPA may include, but not limited to, changes:

1. In the specifications including drawings and design.
2. In the method or schedule of performance of the Works.
3. Acceleration in the performance of the Works.

Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agree by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection





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with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to, when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

### ARTICLE 8. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and storage their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of the entire services requires the use of PREPA's own forces or by other contractors, 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.

### ARTICLE 9: Inspection

#### 9.1.1 Periodic Inspection

All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge





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to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers. Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

### 9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.





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### ARTICLE 10. Submittals

The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith.

Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

### ARTICLE 11: Superintendence by the Contractor

Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

### ARTICLE 12: Sanitary Facilities

The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

### ARTICLE 13: Access to Work





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The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

### ARTICLE 14: Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event. Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

### ARTICLE 15: Penalties for Delays

If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of \$1,250.00 for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.

In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only





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to appeal by the Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities

#### 16.1 Civil Responsibility

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

#### 16.2 Indirect or Consequential Damages

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

#### 16.3. Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.

#### 16.4. Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.

#### 16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all





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expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

### 16.6. Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA. If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.

### ARTICLE 17: Independent 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 not be considered as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others. Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

### ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party:

(i) becomes insolvent, or (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy. If PREPA terminates the Contract, PREPA shall pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to





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receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.

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.

### ARTICLE 19: 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:

#### 19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.

#### 19.2 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with





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limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

### 19.3 Commercial Automobile Liability Insurance:

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

### 19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

#### Requirements Under the Policies:

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

#### a. As Additional Insured:

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

b. A 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 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."

#### 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 Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

Furnishing of Policies:





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All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20: Permits and Licenses

The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.

### ARTICLE 21: Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

### ARTICLE 22. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, 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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and





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responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.

### ARTICLE 23: Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests. If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.

### ARTICLE 24: Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any





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procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

### ARTICLE 25: Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

### ARTICLE 26: Minimum Wage Rates

Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

### ARTICLE 27: Unfair Labor Practice

In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.

Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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: Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions.

Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) Contractor delivers PREPA a copy of the subcontract, not less than thirty (30) days prior to





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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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.

If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22 Transfer of Funds, of this Contract, shall apply.

### ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

### ARTICLE 30: Novation

The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

### ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret





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process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.

### ARTICLE 32: Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

### ARTICLE 34: Disputes

All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within 10 days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within 10 days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages. In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.

### ARTICLE 35: Laws to be Observed

Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of Contractor's violation of any





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such law, ordinance, regulation, order or decree, whether by the Contractor or its subsidiaries, affiliates and employees, subject to limits of liability in Article 16, Liabilities, of this Contract. All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

ARTICLE 36: Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.

ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39: Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

ARTICLE 40: Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall





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extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.

### ARTICLE 41: Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention:

PREPA's Generation Director

To Contractor: [Contractor's Name]  
[Mailing Address]

Attention: [Contractor's representative]

### ARTICLE 42: Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational



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taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

### ARTICLE 43: Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations.

Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

### ARTICLE 44: Safety Provisions

44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's 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 from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.
- b. It shall establish the mechanisms used to update and audit compliance with itself.
- c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.

44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
- b. Description of the activities
- c. Occupational safety and health considerations to be addressed before commencement of the project.
- d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
  - i. Occupational Exposure to Lead (29 CFR 1926.62)
  - ii. Scaffolds (29 CFR 1926 Subpart L)
  - iii. Confined Spaces (29 CFR 1910.146)
  - iv. Occupational Exposure to Noise (29 CFR 1910.95)
  - v. Hazardous Materials (29 CFR 1910 Subpart H)
  - vi. Personal Protective Equipment (29 CFR Subpart I)
  - vii. Hazard Communication (29 CFR 1910.1200)
  - viii. HAZWOPER (29 CFR 1910.120)
  - ix. Fire Protection (29 CFR 1910 Subpart L)
  - x. Commercial Diving (29 CFR 1910 Subpart T)





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- xi. Respiratory Protection (29 CFR 1910.134)
  - xii. Fall Protection (29 CFR 1926 Subpart M)
  - xiii. Electrical (29 CFR 1926 Subpart K)
  - xiv. Welding (29 CFR 1926 Subpart J)
  - xv. Excavations (29 CFR 1926 Subpart P)
  - xvi. Demolitions (29 CFR 1926 Subpart T)
  - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
  - xviii. Ventilation (29 CFR 1926.57)
  - xix. Tools, Hand, and Powered (1926 Subpart I)
  - xx. Electric Industry (29 CFR 1910.269)
  - xxi. Lockout/Tagout (29 CFR 1910.147)
  - xxii. Asbestos (29 CFR 1910.1001)
  - e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.
  - g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).
  - h. Certification of compliance with medical surveillance requirements, according to scope of work.
  - i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.
  - j. Safety equipment and materials to be used during the project.
  - k. Procedures to verify the work area after each work day and at the end of the project.
  - l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.
  - m. 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.
- 44.3 Before commencement of work, the Contractor shall take part in a





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coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.

44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.

44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.

44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.

44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

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

44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all





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times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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

44.13 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.

44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.

44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.

### ARTICLE 45: Environmental Conditions

45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on under, or about the project site, Contractor shall promptly notify PREPA





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in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the





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federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

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

45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.

45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.

45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.

45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).

45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.

45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.

45.13 The contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.





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- 45.14 All work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the Spill Prevention and Control and Countermeasure Plan (SPCCP).
- 45.15 The Contractor shall submit work plan and a spill prevention plan to the Environmental Engineer (SPCCP). The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.
- 45.16 All chemical products to be used shall be classified as "Approved" or "Conditional Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises.
- 45.17 The Contractor, upon completion of the work, must leave all the work area clean, organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.
- 45.18 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.
- 45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.
- 45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).
- 45.21 All remedial actions and environmental work will be performed by a company previously approved by PREPA.
- 45.22 All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.
- 45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.
- 45.24 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.
- 45.25 All the construction and disposal materials shall be covered to avoid rainfall exposure during the work activities.
- 45.26 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 in the project. This report will include a





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copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.

45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be caused by process or work operations.

45.28 The Contractor shall be responsible to obtain all the necessary permits for the proposed activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).

45.28 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

45.29 Water flooding of trenches with potable water will not be permitted.

45.30 All paints applied by sprayers shall be of a water-based type.

45.31 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.

45.32 Contractor shall take whatever steps, procedures, or means to prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.

45.33 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.

45.34 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.

45.35 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.





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### ARTICLE 46: Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

### ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes, tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and properly implemented.

The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.

### ARTICLE 48: Compliance with the Commonwealth of Puerto Rico Contracting Requirements

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.

A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of

Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years.

The Contractor, further will certify that it has complied and is current





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with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor will certify and warrant 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. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Sub Contractor 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.

C. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify 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, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA. 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 with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by Contractor





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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 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.

D. Treasury Department Certification: The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that 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.

E. The Contractor shall provide a copy of Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

F. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.

G. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME)).

H. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.

I. The Contractor shall present a Good Standing Certificate issued by the Puerto Rico Department of State.

J. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.

K. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such





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withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

L. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.

M. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, 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/he immediate family (spouse, dependent children or other members of his/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 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.;

N. Act. 168-2000: Law for the Strengthening of the Family Support and 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 168-2000, as amended, the same is current and in all aspects in compliance.

Act 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.

O. Act. 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of 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 Act. No. 18 of October 30, 1975, as amended.

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

Q. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.

R. Anti-Corruption Code for a New Puerto Rico: 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 Puerto Rico. The Contractor hereby certifies that it does not represent





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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.

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.

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.

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, 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.

S. 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.

T. Prohibition with respect to contracting with officers or employees: (3 L.P.R.A. 8615(d)):

No executive agency may execute a contract in which any of its officers or





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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.

U. 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.

V. Prohibition with respect to evaluation and approval by public officers:

(3 L.P.R.A. 8615(f)):

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.

W. Prohibition with respect to execution by public officers contracts with 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.

X. Provisions Required under Act 14-2004: 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, if they are available.

Y. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor expressly agrees that the conditions outlined above and throughout this





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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 enough cause for PREPA to terminate this Contract.

ARTICLE 49: Termination by the Chief of Staff of the Governor of Puerto Rico and Interagency Services

The Chief of Staff shall have the authority to terminate this Contract at any time. PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

Both Parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities, and public corporations.

ARTICLE 50: Compliance with Applicable Federal Law, Regulations And Executive Orders. [REQUIRED FOR AGREEMENTS FUNDED IN WHOLE OR IN PART WITH FEMA and CDBG-DR FUNDS]

Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).

A. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work 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. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and 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 section, in the sum of \$27 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 section.





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C. Withholding for unpaid wages and liquidated damages. PREPA 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 prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

D. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) through (D) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime 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 section.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies 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 so certify to the tier above it. 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 (COR3). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.

Remedies. 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. Upon a material breach by Contractor, PREPA may utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommend suspension and debarment. Clean Air Act and the Federal Water Pollution Control Act.

A. 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





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amended, 33 U.S.C. 1251 et seq.

B. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the COR3, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

C. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

Changes. At any time changes in the Services or work to be performed within the general scope of this Contract may be made in accordance with Article 7, Changes/Extra Work; provided, however, that no changes shall be made to the scope of the Services 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 or any other U.S. federal agency.

Sufficiency of Funds. The Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Agreement.

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 harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this contract.

Costs. All costs incurred by the Contractor in performance of this





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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.

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.

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 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.

Debarment, Suspension, and Ineligibility.

- A. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor represents and warrants that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. §





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180.935). The Contractor further 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 of this Contract, the Contractor will 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. The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

C. 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.

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

Review of Laws. The Contractor certifies 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 will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Contractor was able to find it online and read it as required.

Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations.

A. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, 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. Failure by the Contractor to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.

B. Applicable Regulations and Policy. 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) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
- (3) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.





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Access to Records.

A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, 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 directly pertinent 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 Administrator, the Secretary of HUD, or his authorized representatives access to work sites pertaining to the work being completed under the Contract.

Retention requirements for records. 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 years from the date of submission by PREPA or the Puerto Rico Emergency Management Agency, on PREPA's behalf, of the final expenditure report for disaster declaration FEMA-4339-DR-PR, as reported to FEMA. 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. It is the responsibility of the Contractor to inquire of PREPA whether the aforementioned final expenditure report has been submitted.

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.

Procurement of Recovered Materials. In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired-

A. Competitively within a timeframe providing for compliance with the Contract performance schedule;

B. Meeting Contract performance requirements; or

C. 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>.

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.





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Equal Employment Opportunity. During the performance of this Contract, the Contractor agrees as follows:

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

C. The Contractor will 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 will 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 will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.

F. The Contractor will furnish all information and reports required by Executive Order 11246, and by the rules, regulations, and orders of the





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Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor 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 will 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 will be binding upon each subcontractor or vendor. The Contractor will 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.

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.

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 of this Contract.

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.

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 his disability, be denied the benefits, or be





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subjected to discrimination including discrimination in employment, any program or activity that receives the benefits from the federal financial assistance.

**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. **Compliance with Laws, Regulation and Executive Orders.** The Contractor acknowledges that FEMA financial assistance will be used to fund this Contract. The Contractor shall comply will all applicable Federal and Government of Puerto Rico 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 regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

**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.

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

**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.

**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, Contractor, or any other party pertaining to any matter resulting from the contract.

**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.

**Puerto Rico Energy Conservation Plan.** Contractor must act in compliance, when applicable, with the mandatory standards and policies relating to





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energy efficiency which are contained in the Commonwealth's energy conservation plan.

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.

Davis Bacon Act And Copeland Anti-Kickback Act

A. Contractor. 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, which are incorporated by reference into this Contract.

B. Subcontracts. Contractor or subcontractors shall insert in any subcontracts the clause above and such other clauses as FEMA or HUD may by appropriate instructions require, and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

C. Breach. 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.

HUD 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 CFR 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. Contractor agrees to send to each labor organization or representative of workers with which 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.





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D. Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 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 CFR part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

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

F. Noncompliance with HUD's regulations in 24 CFR 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 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).

### 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





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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. Section 3 minimum contracting goals. 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. Eligibility for preference. 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





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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.

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 1 (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





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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





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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 1(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 1(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





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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 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 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;





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(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





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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





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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. Subcontracts. 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.

I. 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. Disputes concerning labor standards. 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





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5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(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 1010, 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. Complaints, Proceedings, or Testimony by Employees. 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. Health and Safety. 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.

Buy American-Construction Materials Under Trade Agreements (Oct 2016)

A. Definitions. As used in this Article-

1. 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





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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-

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

b. Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.

3. 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. 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 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);





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- b. 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
- 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-
- 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.
9. 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





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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.

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 (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





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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) <sup>1</sup>
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Item 1:

Foreign construction material



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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).

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.

ARTICLE 51: Correlation of Documents

In case of discrepancy or in the event of conflict among the different





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Contract documents such as: Contract and the Contractors Proposal, these shall take precedence in the order given. The terms and conditions contained in the Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Proposal.

ARTICLE 52: Complete Agreement

This document, together with all attachments referenced herein, constitutes the complete agreement between the Parties.

\* \* \* End of Contract \* \* \*





Contract

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Mail Invoice To:

AUTORIDAD DE ENERGIA ELECTRICA
DIVISION DE TESORERIA
P.O. BOX 70253
SAN JUAN PR 00936-8253

Vendor:

NEIL BORRERO
ALL CONTRACTORS SERVICES CORP
PO BOX 276
MERCEDITA PR 00715

Please Direct Inquiries to:

JOEL D. PANTOJAS-CARABALLO

Title: PROCUREMENT SUPV G5

Phone: [Redacted]

Ext:

Fax : [Redacted]

Work Location:

JEFE OFIC ADM DIR SIST ELECT
NEOM 606
CARR. NUM. 1, KM 15.1
C. SAN ROBERTO FINAL
MONACILLOS PR 00926

Title: REPAIR WORKS CONTROL ROOM 5&6, AND OTHERS COSTA SUR POWER PLANT

Total Value : \$413,826.74 USD

\*\* NOT TO EXCEED \*\*

Pricing Method: ESTIMATE

Contract Type : SERVICES

Start Date: 04/27/2020

Project :

End Date : 07/31/2020

Vendor Authorized Signature

Printed Name/Title

Date Signed

Phone

[Handwritten Signature]

Authorized Signature

Neftalí González Cruz JEFE DIVISION DE SUMINISTROS

Printed Name/Title

6/25/2020

Date Signed

Phone

Scope of Work

ORDEN DE SERVICIO, MATERIALES Y EQUIPOS



## Contract

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REQ. 240574  
RFP 00002625

EMERGENCY PROCUREMENT PROCEDURES FOR COSTA SUR POWER PLANT UNIT 5  
REHABILITATION - REPAIR WORKS CONTROL ROOM 5 & 6 AND OTHERS - COSTA SUR  
POWER PLANT

SE ADJUDICA ESTA ORDEN DE ACUERDO A NUESTRAS ESPECIFICACIONES, TÉRMINOS Y  
CONDICIONES SOLICITADOS Y ACEPTADOS POR LA COMPAÑÍA PARA LA SOLICITUD RFP  
00002625.

### INFORMACION DE PERSONA CONTACTO:

ING. CARLOS A. NEGRÓN ALFONSO  
TEL. [REDACTED] / [REDACTED]  
E-MAIL: [REDACTED]

### COMPRADOR:

JOEL D. PANTOJAS CARABALLO  
SUPERVISOR DE COMPRAS PRINCIPAL  
TEL. [REDACTED]  
E-MAIL: [REDACTED]

SUPLIDOR: ALL CONTRACTORS & SERVICES CORP.  
TEL. [REDACTED]

### DESGLOSE DE COSTOS:

1. MOBILIZATION, BONDS AND INSURANCES, TAXES - \$22,000.00
2. EXTERNAL AND INTERIOR WORKS CONTROL ROOM 5-6 & ENGINEER ROOM AREAS  
(AS PER SCOPE) - \$158,000.00
3. CIVIL AND INTERIOR REPAIRS SHIFT ENGINEER AREA AND OPERATORS ROOM  
AREA (AS PER SCOPE) - \$89,700.00
4. COMPRESSOR ROOM DEMOLITION AND RECONSTRUCTION (AS PER SCOPE) -  
\$58,515.00

CONTRACT SUM: \$328,215.00





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Costa Sur Rehabilitation - Unit 5

PROJECT: Repairs to Control Consoles 5-6, Engineer Room, Shift Engineer and Operators Room; Compressor Room

### SCOPE OF WORK

- A. TASK 26 & 28, External and Interior Works Control Room 5-6 & Engineer Room Areas
1. Demolition
    - a. Perimeter walls as shown on drawing (View detail 2)
    - b. Control Consoles 5&6
    - c. Internal wall that separates shift engineer room area (View detail 3 on drawing)
    - d. Damage lighting fixtures and luminaries.
    - e. North wall section marked on drawing with detail 5.
  2. Control consoles 5&6, panels and devices shall be protected and isolated from water intrusion, demolition works and reconstruction. Consider using wood panels and polyvinyl clear liners of 6mm thick. Dust control system is required.
  3. Supply and Install: Metallic frame 5-1/2", gage 18, track and stud reinforced @ 8 ft vertical and horizontal directions, with reinforced studs every 12" plus horizontal reinforced bars, doors and windows shall be reinforced with treated wood (View drawing detail 2 for area, assume 60" height)
  4. North wall section shall be re built as shown on detail 5 shown on drawing.
  5. Supply and Install: Plycem 3/4" thick for External Walls and Plycem 1/2" thick for internal partitions, Duro Rock or similar, with noise insulation type R13 and thermal insulated (View drawing detail 2 for area, assume 60" height).
  6. Interior (approx. 10ft) and Exterior Walls (approx. 15ft) to be painted after primer, with two coats of paint, which the color and material shall be submitted by Contractor and approved by PREPA.
  7. Supply and Install: Remove and replace main entrance sliding door, includes replacement of automatic entry/exit system.
  8. Supply and Install: Acoustic ceiling tiles frames 2 ft x 2 ft, anchored every 4 ft in both directions, and reinforced with 2" studs every 12 sqft for Main Tee Owens and/or Armstrong, white, includes cross and main tees. Includes Foxboro system room area
  9. Supply and Install: Acoustic ceiling tiles 5/8" Armstrong or approve equal. Shall include noise and thermal insulation.
  10. Supply and Install: Lighting fixture panel 2ft x 2ft with LED white luminaires equal to 3500 lumens, 120/277 Volts/60 hz
  11. Reinstallation of existing (not affected) luminaries and fixtures, flat type, independently anchored to acoustic frame.
  12. Treatment of metallic structures with hand tools (dremmel) and





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polish. Two coats of anticorrosive treatment shall be applied to affected metallic structures.

13. Remove and install the loosen tiles on areas marked with detail 6 on drawing.
14. Clean and polish existing ceramic floor tiles.
15. Daily dust control system

### B. TASK 29, Civil and Interior Repairs Shift Engineer Area and Operators Room Area

1. Demolition
  - a. Perimeter walls as shown on drawing (View detail 2)
  - b. Demolish operators kitchen wall as shown on drawing (View detail #3)
  - c. Removal and disposal of furniture and accessories of 4 bathrooms, includes mirrors, faucet, vanities and toilets
  - d. Removal of furniture and accessories kitchen area
  - e. Removal and disposal of damaged furniture, cabinets, file cabinets, accessories, luminaries' system
  - f. Internal wall that separates shift engineer room area
  - g. Damage lighting fixtures
2. Non damaged furniture, equipment and devices shall be protected and isolated from areas to be impacted, from water intrusion, demolition works and reconstruction. Consider using wood panels and polyvinyl clear liners of 6mm thick. Dust control system is required.
3. Supply and Install: Metallic frame 5-1/2", gage 18, track and stud reinforced every 8ft vertical and horizontal directions, with reinforced studs every 12" plus horizontal reinforced bars, doors and windows shall be reinforced with treated wood (View drawing detail 2 for area, assume 60" height)
4. Supply and Install: Plycem 3/4" thick for External Walls and Plycem 1/2" thick for internal partitions, Duro Rock or similar, with noise insulation type R13 and thermal insulated (View drawing detail 2 for area, assume 60" height).
5. Tarnish (empañetado) exterior walls with cementitious reinforced driver with fiber adhesive. Includes finishing, primer, and color painted. Color to be choose by PREPA.
6. Repair cracks on all affected concrete walls (See detail 1 on drawing).
7. Interior (approx. 10ft) and Exterior Walls (approx. 16ft) to be painted after primer, with two coats of paint, which the color and material shall be submitted by Contractor and approved by PREPA.
8. Supply and Install: 1 A1 emergency exit door (reuse exit mechanism) and 1 A1 for small storage room.
9. Supply and Install: 4 A1 doors for bathrooms
10. 4 Bathrooms:



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- a. Supply and Install: vanities; toilets; mirrors; faucet and accessories; 110 cfm exhaust fan (one for each bathroom) similar as existing
  - b. Bathrooms 1 and 3: demolition of structural affected walls, reconstruct and install new tiles similar to existing.
  - c. Repairs of all nonstructural cracks on wall
  - d. Clean and polish floor tiles
  11. Kitchen
    - a. Supply and Install: high density pvc wall and floor cabinets with Formica or similar terminations; high density counter top with Formica Al metal color termination or similar, 8 ft ea.
    - b. Supply and install ceramic tile back splash wall
    - c. Supply and Install: Kitchen faucet and sink
    - d. Clean and polish floor tiles
    - e. Install a new Wall according to detail 3 on drawing.
  12. Supply and Install: Acoustic ceiling tiles frame suspension 2 ft x 2 ft, anchored every 4 ft in both directions, and reinforced with 2" studs every 12 sqft for Main Tee Owens and/or Armstrong, white, includes cross and main tees.
  13. Supply and Install: Acoustic ceiling tiles 5/8" Armstrong or approve equal. Shall include noise and thermal insulation.
  14. Supply and Install: Lighting fixture panel 2ft x 2ft with LED white luminaires equal to 3500 lumens, 120/277 Volts/60 hz
  15. Reinstallation of existing (not affected) luminaries and fixtures, flat type, independently anchored to acoustic frame.
  16. Treatment of metallic structures with hand tools (i.e. dremmel) and polish. Two coats of anticorrosive treatment shall be applied to affected metallic structures.
  17. Clean and polish existing ceramic floor tiles.
  18. Daily dust control system
- C. TASK 27, Compressor Room Demolition and Reconstruction
1. Demolition: 8 walls (marked) at the perimeter walls and small storage room (walls area is 1,700 ft<sup>2</sup> approximately).
  2. Clean with high pressure wash, repairs and finishing of remaining concrete walls and columns
  3. Pipelines on north wall shall be re-anchored with hangers from horizontal steel column on ceiling.
  4. Compressor electrical conduits, pipelines, and exhaust ducts shall be re-fixed and re-anchored on horizontal steel beam on ceiling.
  5. Daily dust control system
  6. Remaining walls shall be primed and painted. Color: white
- D. Additional Requirements





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1. Contractor shall supply all necessary labor, supervision, equipment, materials, parts, tools, consumables, office trailer, and bathroom facilities
2. Removal and disposal of debris; damage furniture, accessories and equipment; and industrial waste are Contractor's responsibility.
3. Contractors shall follow at all times Costa Sur Safety and Health Regulations, including COVID-19 protocol.
4. Personnel shall remain in the plant premises at all time. For food it is allowed only one person out of the plant at lunch time during working periods.
5. Works shall be done in ten hours shift, 6 days a week., and be completed in a maximum of 75 days.
6. Work priority are the Control Console and Foxboro room areas 5-6
7. Contractor is responsible of Municipal Taxes, other taxes (i.e. 1.5% Service Tax), Worksmen Compensation Insurance Policy (CFSE, in Spanish), Insurances and Bonds
8. Contractor shall submit a weekly project update report.
9. Submittals of works to be done and products to be used shall be presented for PREPA approval before execution. PREPA shall have a maximum of 48 hrs for approval.
10. Submittal approval process is included within the 75 days of project execution . Contractor shall commence with Tasks 26, 28 and 29 (Priority)

### WITNESSETH

THEREFORE, IN CONSIDERATION of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, successors, and assignees, as follows:

#### TERMS AND CONDITIONS

##### ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, municipal and service taxes, and superintendence, required for the Repairs to Control Consoles 5-6, Engineer Room, Shift Engineer and Operators Room; Compressor Room at the Costa Sur Power Plant. In accordance with the specifications stated in herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

##### Article 2. Definitions





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Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

- 2.1 Contracting Officer - shall mean the Chief Executive Officer/Executive Director of PREPA, acting directly or through his properly authorized agents.
- 2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):
- a. Contract
  - b. Terms and Conditions
  - c. Special Conditions and Technical Specifications
  - d. Instructions to Proponents
  - e. Questions and Answers during the procurement process
  - f. Contractor's Proposal
  - g. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.

In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.

- 2.3 Completion Date - date in which all tasks and project scope had completed.
- 2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.
- 2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.
- 2.6 Final Acceptance - shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.
- 2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving authority to begin the Work or separate portions of the Work, as established in this Contract.
- 2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.
- 2.9 Special Conditions - are all the specific requirements, regulations and/or directions covering particular conditions of the project.
- 2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.





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2.11 Environmental Compliance Officer - PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.

2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

### ARTICLE 3: Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed \$328,215.00. PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation Repairs to Control Consoles 5-6, Engineer Room, Shift Engineer and Operators Room; Compressor Room at Costa Sur Power Plant including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.

The invoices submitted by Contractor must be approved by the Engineer, and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents. PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's





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approval.

Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment. All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

No interest Certification:

Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Contract or a waiver has been previously obtained. I, also certify that the only consideration to provide the services under this Contract is the payment agreed with PREPA's authorized representative.

The total amount of this invoice is fair and correct. The works were completed, the services were provided and no payment has been received for said concept.

Contractor's Signature

Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17563-555-354.

ARTICLE 4: Commencement, Prosecution and Completion of Work

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on seventy-five (75) days on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).

The Contractor must provide and install construction and maintenance signs





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in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

### Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

### ARTICLE 5: Suspension of Work

The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.

### ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called for or shown in both. In case of any difference between drawings and Specifications, the specifications shall govern. In case of 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 he has received written orders from the Engineer. The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

### ARTICLE 7: Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by PREPA may include, but not limited to, changes:

1. In the specifications including drawings and design.
2. In the method or schedule of performance of the Works.
3. Acceleration in the performance of the Works.

Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agreed by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection





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with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to, when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

### ARTICLE 8. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and storage their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of the entire services requires the use of PREPA's own forces or by other contractors, 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.

### ARTICLE 9: Inspection

#### 9.1.1 Periodic Inspection

All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge





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to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers. Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

### 9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.





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### ARTICLE 10. Submittals

The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith.

Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

### ARTICLE 11: Superintendence by the Contractor

Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

### ARTICLE 12: Sanitary Facilities

The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

### ARTICLE 13: Access to Work





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The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

### ARTICLE 14: Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event. Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

### ARTICLE 15: Penalties for Delays

If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of \$1,250.00 for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.

In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only





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to appeal by the Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities

#### 16.1 Civil Responsibility

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

#### 16.2 Indirect or Consequential Damages

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

#### 16.3. Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.

#### 16.4. Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.

#### 16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all





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expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

### 16.6. Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA. If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.

### ARTICLE 17: Independent 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 not be considered as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

### ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party:

(i) becomes insolvent, or (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy.

If PREPA terminates the Contract, PREPA shall pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to





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receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.

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.

### ARTICLE 19: 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:

#### 19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.

#### 19.2 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with





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limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

### 19.3 Commercial Automobile Liability Insurance:

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

### 19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

#### Requirements Under the Policies:

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

#### a. As Additional Insured:

Puerto Rico Electric Power Authority  
Risk Management Office  
PO Box 364267

San Juan, PR 00936-4267

b. A 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 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."

#### 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 Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

#### Furnishing of Policies:





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All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20: Permits and Licenses

The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.

### ARTICLE 21: Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

### ARTICLE 22. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, 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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and





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responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.

### ARTICLE 23: Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests. If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.

### ARTICLE 24: Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any





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procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

### ARTICLE 25: Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

### ARTICLE 26: Minimum Wage Rates

Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

### ARTICLE 27: Unfair Labor Practice

In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.

Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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: Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions.

Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) Contractor delivers PREPA a copy of the subcontract, not less than thirty (30) days prior to





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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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.

If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22 Transfer of Funds, of this Contract, shall apply.

### ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

### ARTICLE 30: Novation

The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

### ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret





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process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.

### ARTICLE 32: Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

### ARTICLE 34: Disputes

All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within 10 days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within 10 days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages. In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.

### ARTICLE 35: Laws to be Observed

Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of Contractor's violation of any





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such law, ordinance, regulation, order or decree, whether by the Contractor or its subsidiaries, affiliates and employees, subject to limits of liability in Article 16, Liabilities, of this Contract. All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

### ARTICLE 36: Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

### ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.

### ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39: Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

### ARTICLE 40: Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall





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extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.

### ARTICLE 41: Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention:

PREPA's Generation Director

To Contractor: [Contractor's Name]  
[Mailing Address]

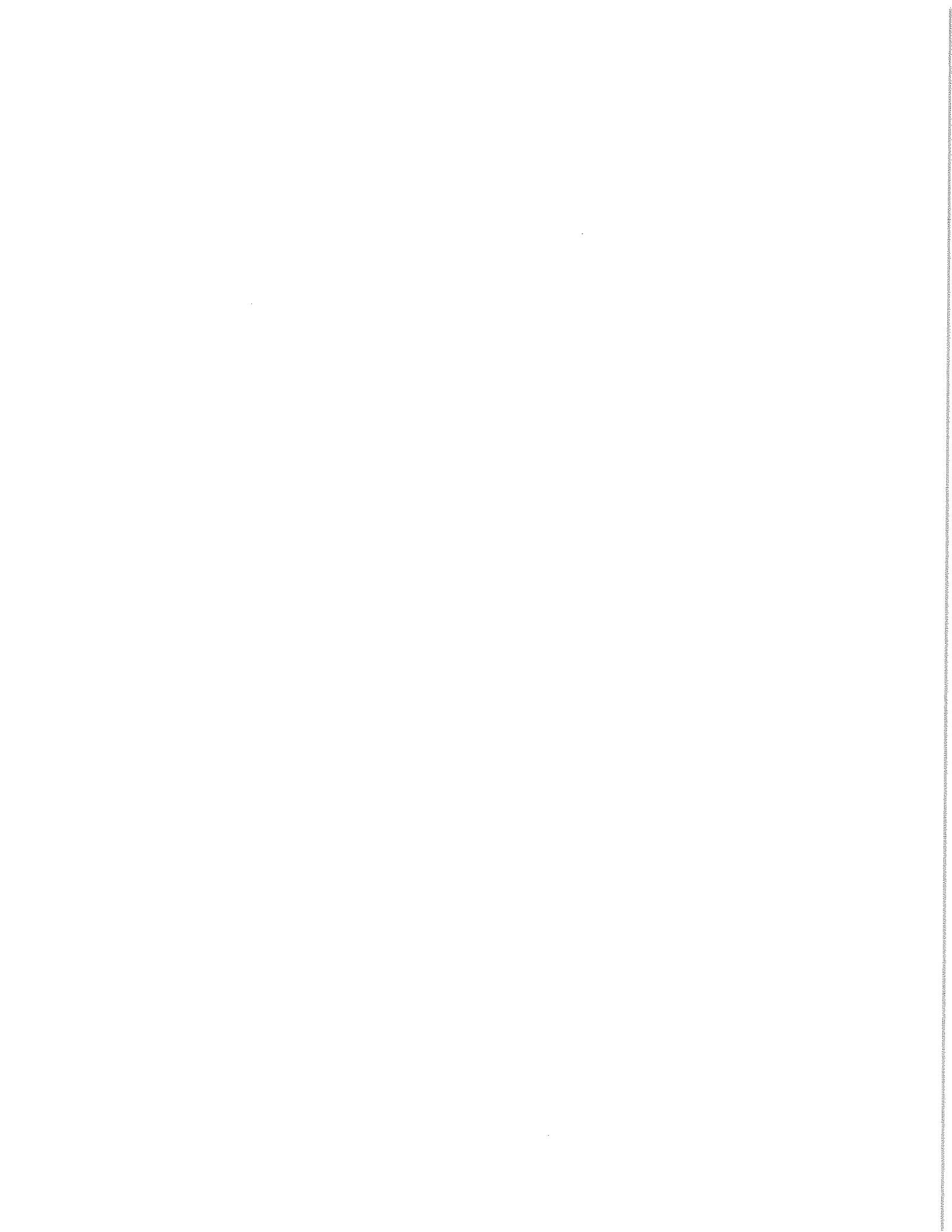
Attention: [Contractor's representative]

### ARTICLE 42: Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational









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taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

### ARTICLE 43: Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations.

Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

### ARTICLE 44: Safety Provisions

44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's 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 from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.
- b. It shall establish the mechanisms used to update and audit compliance with itself.
- c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.

44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
- b. Description of the activities
- c. Occupational safety and health considerations to be addressed before commencement of the project.
- d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
  - i. Occupational Exposure to Lead (29 CFR 1926.62)
  - ii. Scaffolds (29 CFR 1926 Subpart L)
  - iii. Confined Spaces (29 CFR 1910.146)
  - iv. Occupational Exposure to Noise (29 CFR 1910.95)
  - v. Hazardous Materials (29 CFR 1910 Subpart H)
  - vi. Personal Protective Equipment (29 CFR Subpart I)
  - vii. Hazard Communication (29 CFR 1910.1200)
  - viii. HAZWOPER (29 CFR 1910.120)
  - ix. Fire Protection (29 CFR 1910 Subpart L)
  - x. Commercial Diving (29 CFR 1910 Subpart T)



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- xi. Respiratory Protection (29 CFR 1910.134)
  - xii. Fall Protection (29 CFR 1926 Subpart M)
  - xiii. Electrical (29 CFR 1926 Subpart K)
  - xiv. Welding (29 CFR 1926 Subpart J)
  - xv. Excavations (29 CFR 1926 Subpart P)
  - xvi. Demolitions (29 CFR 1926 Subpart T)
  - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
  - xviii. Ventilation (29 CFR 1926.57)
  - xix. Tools, Hand, and Powered (1926 Subpart I)
  - xx. Electric Industry (29 CFR 1910.269)
  - xxi. Lockout/Tagout (29 CFR 1910.147)
  - xxii. Asbestos (29 CFR 1910.1001)
  - e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.
  - g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).
  - h. Certification of compliance with medical surveillance requirements, according to scope of work.
  - i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.
  - j. Safety equipment and materials to be used during the project.
  - k. Procedures to verify the work area after each work day and at the end of the project.
  - l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.
  - m. 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.
- 44.3 Before commencement of work, the Contractor shall take part in a





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coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.

44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.

44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.

44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.

44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

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

44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all





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times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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

44.13 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.

44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.

44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.

### ARTICLE 45: Environmental Conditions

45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on under, or about the project site, Contractor shall promptly notify PREPA





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in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the





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federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

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

45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.

45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.

45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.

45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).

45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.

45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.

45.13 The contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.





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- 45.14 All work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the Spill Prevention and Control and Countermeasure Plan (SPCCP).
- 45.15 The Contractor shall submit work plan and a spill prevention plan to the Environmental Engineer (SPCCP). The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.
- 45.16 All chemical products to be used shall be classified as "Approved" or "Conditional Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises.
- 45.17 The Contractor, upon completion of the work, must leave all the work area clean, organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.
- 45.18 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.
- 45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.
- 45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).
- 45.21 All remedial actions and environmental work will be performed by a company previously approved by PREPA.
- 45.22 All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.
- 45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.
- 45.24 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.
- 45.25 All the construction and disposal materials shall be covered to avoid rainfall exposure during the work activities.
- 45.26 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 in the project. This report will include a



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copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.

45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be caused by process or work operations.

45.28 The Contractor shall be responsible to obtain all the necessary permits for the proposed activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).

45.28 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

45.29 Water flooding of trenches with potable water will not be permitted.

45.30 All paints applied by sprayers shall be of a water-based type.

45.31 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.

45.32 Contractor shall take whatever steps, procedures, or means to prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.

45.33 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.

45.34 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.

45.35 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.





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### ARTICLE 46: Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

### ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes, tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and properly implemented.

The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.

### ARTICLE 48: Compliance with the Commonwealth of Puerto Rico Contracting Requirements

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.

A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of

Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years.

The Contractor, further will certify that it has complied and is current





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with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor will certify and warrant 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. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Sub Contractor 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.

C. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify 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, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA. 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 with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by Contractor





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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 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.

D. Treasury Department Certification: The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that 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.

E. The Contractor shall provide a copy of Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

F. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.

G. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME)).

H. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.

I. The Contractor shall present a Good Standing Certificate issued by the Puerto Rico Department of State.

J. Social Security and Income Tax Retentions: In compliance with Executive

Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.

K. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such





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withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

L. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.

M. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, 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/he immediate family (spouse, dependent children or other members of his/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 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.;

N. Act. 168-2000: Law for the Strengthening of the Family Support and 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 168-2000, as amended, the same is current and in all aspects in compliance.

Act 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.

O. Act. 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of 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 Act. No. 18 of October 30, 1975, as amended.

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

Q. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.

R. Anti-Corruption Code for a New Puerto Rico: 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 Puerto Rico. The Contractor hereby certifies that it does not represent





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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.

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.

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.

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, 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.

S. 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.

T. Prohibition with respect to contracting with officers or employees: (3 L.P.R.A. 8615(d)):

No executive agency may execute a contract in which any of its officers or





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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.

U. 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.

V. Prohibition with respect to evaluation and approval by public officers:  
(3 L.P.R.A. 8615(f)):

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.

W. Prohibition with respect to execution by public officers contracts with 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.

X. Provisions Required under Act 14-2004: 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, if they are available.

Y. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor expressly agrees that the conditions outlined above and throughout this





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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 enough cause for PREPA to terminate this Contract.

ARTICLE 49: Termination by the Chief of Staff of the Governor of Puerto Rico and Interagency Services

The Chief of Staff shall have the authority to terminate this Contract at any time. PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

Both Parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities, and public corporations.

ARTICLE 50: Compliance with Applicable Federal Law, Regulations And Executive Orders. [REQUIRED FOR AGREEMENTS FUNDED IN WHOLE OR IN PART WITH FEMA and CDBG-DR FUNDS]

Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).

A. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work 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. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and 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 section, in the sum of \$27 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 section.





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C. Withholding for unpaid wages and liquidated damages. PREPA 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 prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

D. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) through (D) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime 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 section.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies 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 so certify to the tier above it. 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 (COR3). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.

Remedies. 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. Upon a material breach by Contractor, PREPA may utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommend suspension and debarment. Clean Air Act and the Federal Water Pollution Control Act.

A. 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





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amended, 33 U.S.C. 1251 et seq.

B. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the COR3, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

C. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

Changes. At any time changes in the Services or work to be performed within the general scope of this Contract may be made in accordance with Article 7, Changes/Extra Work; provided, however, that no changes shall be made to the scope of the Services 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 or any other U.S. federal agency.

Sufficiency of Funds. The Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Agreement.  
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 harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this contract.

Costs. All costs incurred by the Contractor in performance of this

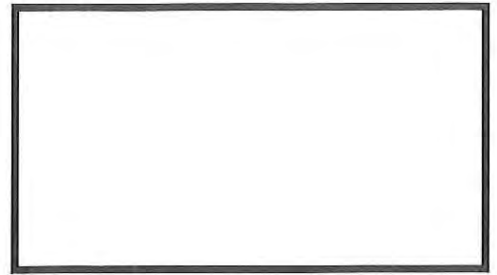




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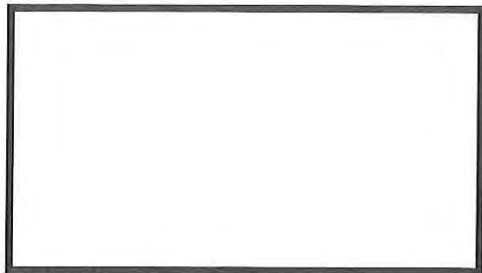




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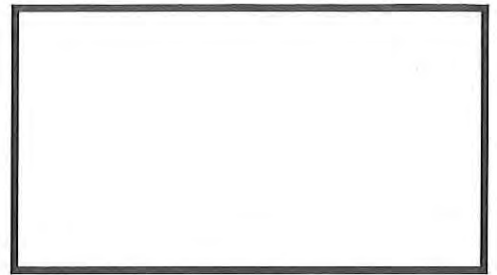
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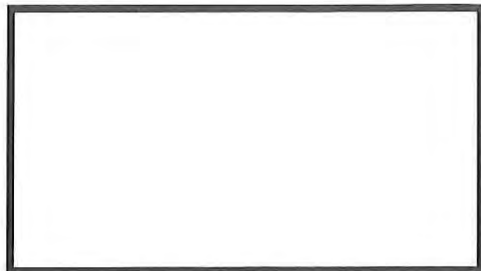


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the satisfaction of the Party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and 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.

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 1 (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





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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





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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 1(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 1(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





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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 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 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;





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(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



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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





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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. Subcontracts. 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.

I. 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. Disputes concerning labor standards. 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





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5.12(a) (1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(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 1010, 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. Complaints, Proceedings, or Testimony by Employees. 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. Health and Safety. 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.

Buy American-Construction Materials Under Trade Agreements (Oct 2016)

A. Definitions. As used in this Article-

1. 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





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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-

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

b. Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.

3. 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. 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 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);





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- b. 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
- 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-
- 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.
9. 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





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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.

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 (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





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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
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Item 1:

Foreign construction material





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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).

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.

ARTICLE 51: Correlation of Documents

In case of discrepancy or in the event of conflict among the different









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Mail Invoice To:

AUTORIDAD DE ENERGIA ELECTRICA
DIVISION DE TESORERIA
P.O. BOX 70253
SAN JUAN PR 00936-8253

Vendor:

HECTOR PUJOLS
R G ENGINEERING INC
605 CONDADO STREET
SAN ALBERTO BLDG STE 322
SAN JUAN PR 00907

Please Direct Inquiries to:

JOEL D. PANTOJAS-CARABALLO

Title: PROCUREMENT SUPV G5

Phone: [REDACTED]

Fax : [REDACTED]

Ext:

Work Location:

JEFE OFIC ADM DIR SIST ELECT
NEOM 606
CARR. NUM. 1, KM 15.1
C. SAN ROBERTO FINAL
MONACILLOS PR 00926

Title: REPAIR WORKS CONDENSATE TANK 5 AT COSTA SUR POWER PLANT

Total Value : \$309,468.00 USD

\*\* NOT TO EXCEED \*\*

Pricing Method: ESTIMATE

Contract Type : SERVICES

Start Date: 05/01/2020

Project :

End Date : 07/24/2020

[Handwritten Signature]

Vendor Authorized Signature
Jose M. Robles / Sales Manager

Printed Name/Title
5/13/2020 [REDACTED]

Date Signed Phone

[Handwritten Signature]

Authorized Signature
Neftalí González Cruz JEFE DIVISION DE SUMINISTROS

Printed Name/Title
5/7/2020 [REDACTED]

Date Signed Phone

Scope of Work

ORDEN DE SERVICIO, MATERIALES Y EQUIPOS



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REQ. 240588  
RFP 00002638

EMERGENCY PROCUREMENT PROCEDURES FOR COSTA SUR POWER PLANT UNIT 5  
REHABILITATION - STRUCTURAL REPAIR WORKS ON CONDENSATE WATER TANK 5 CSPP

SE ADJUDICA ESTA ORDEN DE ACUERDO A NUESTRAS ESPECIFICACIONES, TÉRMINOS Y  
CONDICIONES SOLICITADOS Y ACEPTADOS POR LA COMPAÑÍA PARA LA SOLICITUD RFP  
00002638.

INFORMACION DE PERSONA CONTACTO AEE:

ING. CARLOS A. NEGRÓN ALFONSO

TEL. [REDACTED]

E-MAIL: [REDACTED]

COMPRADOR:

JOEL D. PANTOJAS CARABALLO

SUPERVISOR DE COMPRAS PRINCIPAL

TEL. [REDACTED]

E-MAIL: [REDACTED]

SUPLIDOR: RG ENGINEERING

TEL. [REDACTED]

DESGLOSE DE COSTOS:

1. MOBILIZATION, BONDS & INSURANCES, MUNICIPAL TAXES - \$13,274.19
2. NEW ANCHOR & STRUCTURAL STEEL REPAIRS WATER CONDENSATE TANK 5 -  
\$91,301.58
3. EXISTING CONCRETE PILE CAP FOUNDATION REPAIRS (CONCRETE STRUCTURAL  
WORKS ON FOUNDATION) - \$190,697.52
4. SURFACE PREPARATION & COATING APPLICATION - \$14,194.71

CONTRACT SUM: \$309,468.00

" PROJECT DESCRIPTION - Structural Repair Work Condensate Tank 5  
at Costa Sur Power Plant





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### SECTION 15010 SPECIAL CONDITIONS

#### PART 1 - GENERAL

##### 1.1 RELATED DOCUMENTS

A. This section includes: PREPA drawings, general contract provision, supplementary conditions and other technical sections.

##### 1. Drawings:

- " T-1 - Condensate Tank 5 Retrofit
- " S-100 - General Notes and As-Built of Tank 5
- " S-102 - Condensate Tank 5 Anchor Bolts and Chairs Details Option A
- " S-103 - Condensate Tank 5 Anchor Bolts and Chairs Details Option B
- " S-104 - Condensate Tank 5 Pile Cap Extension Details Option A & B
- " S-105 - Partial Site Plan and Cross Sections Condensate Tank 5
- " S-106 - Existing Pile Cap Elev., Photos, & New Star Concrete Stair and Platform Option A
- " DS-100 - Demolition Plan Elevation and Tank 3D View - Option A
- " DS-101 - Demolition Plan Elevation and Tank 3D View - Option B

##### 1.2 SUMMARY

##### A. Scope of work:

1. Structural Repair (Retrofi) of the Water Condensate Tank 5.

##### 1.3 QUALITY ASSURANCE

A. Proponents shall be included in PREPA's Materials Management Division Suppliers Register.

B. No proposals shall be submitted by or accepted from any Proponent, including any of its subcontractors or partners, known to have defaulted on any contract on the last five years before the date of RFP (Number) publishing date. Any Proposal not complying with this requirement shall have the effect of disqualification of the Proponent.



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C. No proposals shall be submitted or accepted from any Proponent, including any of its subcontractors or partners, known to have had, or to be on an execution of a performance or payment bond on the last five years before the RFP(Number) publishing date. Any Proposal not complying with this requirement shall have the effect of disqualification of the Proponent.

D. No proposals shall be submitted or accepted from any Proponent, including any of its subcontractors or partners, known to have had abandoned a project without completing all tasks and obligations included on the contract.

E. The Contractor shall not subcontract to any company known to have defaulted on any contract, or in a process of execution of a payment or performance bond on the last five years before the Contract approval date.

F. All works shall be performed in a safe and workmanlike manner and in conformance with Codes, Standards, Local Rules, Regulations and Ordinances, etc. of government agencies having jurisdiction, including but not limited to the following:

1. The Environmental Protection Agency (EPA).
2. The Office of Safety and Health Administration (OSHA) requirements.
3. ACI -318(latest revision).
4. Environmental Quality Board
5. American Petroleum Institute API.
6. NFPA-30- Flammable and Combustible Liquid Code
7. 29 CFR 1910, 40 CFR 112 (latest revision)
8. American Society for Testing and Materials, ASTM.
9. EPA NPDES Permit for Costa Sur Power Plant.

G. All analysis shall be made by a PREPA approved laboratory.

### 1.4 REQUIRED DOCUMENTS

- A. Proponent shall submit Proposal Form.





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- B. Contractor shall provide a work schedule for the project. This schedule will be reviewed and approved by PREPA prior to commencing work.
- C. Material Safety Data Sheets (MSDS) of all chemical products required for the project shall be submitted for approval to the Hazard Communication Section at the Safety Division of PREPA. Once approved the Contractor shall keep a copy of the MSDS on the site.
- D. Contractor shall provide submittals for the products specified in each of the Technical Specifications.
- E. The Contractor shall provide any technical reference manuals or operational and maintenance information available, for any equipment being installed (if required).
- F. Contractor shall submit for evaluation, a site specific Work Plan, including how to comply with the applicable environmental, safety and health regulations. Before the commencement of work, the Contractor shall participate in a meeting with PREPA's Safety Officer and the Project Manager, for a job briefing and a visit to the work area.
- G. Contractor shall submit results of all laboratory tests required.

### 1.5 RECORD DRAWINGS

- A. Contractor shall keep, at the site of work, a complete set of drawings for the purpose of noting thereon on a continuous basis, all field changes during construction. Changes will be marked in red.
- B. This set of provisional record drawings will be kept up to date with all changes noted thereon, and they shall be submitted for the inspection and approval of PREPA, when requested.
- C. Upon termination of the installations, record drawings will be delivered through PREPA to the Design and Drawing Department showing all as-built condition before final liquidation of Contract.

### 1.6 GENERAL REQUIREMENTS

- A. It is the responsibility of the Contractor to coordinate with PREPA the presence of any underground existing facilities, such as electrical conduits, cables, fuel lines, water lines, etc., which could be affected during construction.
- B. Contractor shall coordinate with the plant's Operations Manager the





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schedule for performing works as specified and required. Contractor shall not perform works in two combined cycle units simultaneously, unless approved by Costa Sur Power Station Plant Manager.

C. Maintaining plant operations of the combined cycle units is a priority for PREPA, so it shall be considered as an essential condition of this contract. As such, contract works cannot expose conflict with normal plant operations and is the responsibility of the Contractor to coordinate with PREPA a work program that provides normal operation of the plant during project progress. The specified works will be performed on a per-unit basis, during an outage for which the specific date shall be solely determined by PREPA. Contractor shall be aware that units 5 and 6 are closely located and shall expect that one unit will be on service as the contractor works are being performed on the other unit. Contractor shall abide to these conditions and take into consideration in his bid that the outage between the units will not necessarily be granted on a subsequent basis.

The operational scheme for unit operations and determination on whether or not a unit is in service or out-of-service relies solely on PREPA, so any order by PREPA to stop contractor works or any delay related to PREPA granting availability of any area, equipment or material shall be considered as a foreseeable event.

D. In the event contractor is unable to perform works due to any operational, maintenance, security or safety related determinations by PREPA, contractor's only remedy shall be an extension of time for performing his contract obligations.

E. Contractor works to be performed close or adjacent to any facility or equipment in service shall be coordinated with PREPA and the plant's Operations Manager. Full access to PREPA personnel to all areas in service or available for being in service shall be guaranteed at all times by contractor.

F. Before start working the Contractor shall meet with designated health and safety personnel to establish specific safety and health precautions.

G. It is the intention of these specifications and drawings to develop the work until the project is completed. That the necessary tests are done and the system is left operational. The Contractor is responsible for any details that usually are not found in the drawings or specifications provided by PREPA, as there shall be a final design, certified issued for construction drawings under the full responsibility of the Contractor and





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approved by PREPA. Said details shall be included in the work, just as the ones specified and shown in the drawings.

H. PREPA can reject all materials and work done by the Contractor not according to the provided drawings, specifications or contract. The Contractor will replace all the material and perform the necessary labor to correct the work or rejected material at his own cost, to PREPA's satisfaction.

I. If any errors or omissions occur, the Contractor shall notify PREPA prior to submitting his proposal, so the necessary revisions or adjustments are made.

J. It is the Contractor's responsibility to certify that documents submitted for approval does not deviate from the contract specifications. Any deviation or change not indicated in writing by the Contractor, should automatically invalidate PREPA's seal of approval for that particular document.

K. All work performed under these Specifications shall be done in a safe and workmanlike manner and in strict conformance with all local rules regulations and ordinances, etc. The Contractor shall use all necessary safety equipment, such as reflected jackets, safety cones, and safety warnings at the work site near road areas and vehicle traffic.

L. All proposals must be completed in the prescribed format for the purpose of basic comparison and evaluation. Additional or separate data, however, which each Proponent may wish to present for clarification or amendment will be accepted without prejudice to the basic proposal, and will be considered in its applicable context.

"

M. It shall be the Proponent's singular and sole responsibility to visit the job-site and to acquire whatever data is necessary for preparation of his/her Proponent's proposal, to meet the obligations and warranties to the Authority, as detailed in these Specifications. This activity shall be accomplished at the Proponents own initiative, time and expense, and at no charge or expense to the Authority. Prior to submitting a proposal, the Contractor informs himself of all local conditions which might affect his performance of the work. Such conditions shall include, but are not limited to: plant operation schemes and procedures, workmen's facilities, location of central points, access to the site, available utilities, and disposal areas of excavated materials, uncertainty of weather (including historic weather data), and all other contingencies.



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N. Contractor shall provide, at its own cost, concrete testing laboratory and for the quality control testing during construction. All tests shall be certified by the professional (Professional Engineer) required (including seal and signature) and the original document shall be submitted to PREPA for its record.

### 1.7 TEMPORARY FACILITIES

#### A. Contractor's Field Office

1. The Contractor's field office shall be of such construction as approved by PREPA. A temporary telephone shall be installed and maintained during the extent of the construction time by the Contractor. The Authority shall issue orders and directions to the Contractor at this field office.

2. The location of the construction offices and the preparation of the general area will be as specified by PREPA.

3. The Contractor shall maintain proper communication between his field office and his field personnel. Failure to maintain said communication shall be considered just cause to withhold any or all payments due to the Contractor until said communications are restored.

#### B. Light and Power

1. The Contractor shall furnish and install immediately upon the start of the work and shall maintain for the duration of the construction period, adequate temporary light and electric power as required, for his own use and for the use of all trades, subcontractors, and separate contractors, in connection with the work. This installation shall be made in accordance with the National Electrical Code and as directed PREPA.

2. The Contractor shall provide at his expense for all electric power consumed for the illumination, power testing of all equipment, and other fringe expenses and service charges.

#### C. Sanitary Conveniences

1. The Contractor shall provide temporary sanitary conveniences for use of the Contractor's employees and the employees of all trades, subcontractors, and separate contractors at the site and maintain them in





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a sanitary condition until the completion of the work. Said facilities shall meet the approval of the Puerto Rico Board of Health.

### D. Water

1. The Contractor shall make the necessary arrangements and provide all water required during the entire construction period. The cost for temporary water shall be borne by the Contractor, except for that used in the hydrostatic test. Also shall prevent the use of water for cleaning purposes. The uses of dry cleaning techniques (absorbents wipe and vacuum) are necessary for the pollution potential of the NPDES discharges. This is a BMPP requirement.

2. Under any circumstance the liquids will be discharge to the ground. This includes purge lines before any repair. There will not be any discharge of chemical products and hydrocarbons to the discharge system, not to cause any deviation to the NPDES permit.

### E. Scaffolds, Staging, and Safety Devices

1. The Contractor shall provide, erect, maintain, and remove when directed, all scaffolding, staging platforms, temporary turn ways, temporary flooring, guard railings, stairs, etc., as required by local and state codes, or laws, for the protection of workmen and the public.

2. The construction, inspection, and maintenance of the above items shall comply with all safety codes and regulations as applicable to the project.

### F. Access to Facilities

1. Maintain at all times all access roads to the project reasonably free of accumulated mud and/or debris. Special note must be taken to the fact of little space availability. The Contractor shall note this and program his site activities accordingly. Additional space if need will be provided by the Contractor at his cost in other facilities.

## 1.8 STANDARDS FOR EQUIPMENT AND MATERIALS

A. All materials and equipment described or found necessary for the installation shall be new, free from defects, and shall be listed by Underwriters Laboratories, Inc., and by the American Water Works Association as conforming to their standards in every case where such standard has been established for the particular type of material in question. PREPA shall approve all materials and equipment.



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B. Equipment and materials shall be properly stored, protected and carefully handled, following the manufacturer's recommendations, to prevent damage before and during installation. Damaged or defective items shall be replaced at no cost to PREPA.

C. Any equipment, material or work performed without the PREPA's approval or in disagreement with the drawings, specifications or the contract, may be rejected. The Contractor shall replace or repair rejected equipment or labor at his expense as recommended by PREPA.

D. The Contractor shall furnish the services of an experienced licensed Engineer who shall constantly be in charge of the work together with skilled workmen, fitters, helpers, and labor required to properly unload, transfer, erect, connect, adjust, start, operate, and test the system. Work shall be performed in a workmanlike manner, shall present a neat and mechanical appearance when completed, and shall be subject to the approval of the PREPA.

E. Materials or equipment to be supplied by the Contractor shall be subject to the approval of PREPA. Valves and piping shall be from U.S. Manufacturers.

### 1.9 PROGRESS REPORTS

A. Contractor shall submit (by email) to PREPA a weekly progress report with the following information:

1. Dates of completion for activities that have been completed since the last report.
2. Days remaining for in-progress activities.
3. Changes to reflect variations from or modifications to the original network plan.
4. Project progress evaluation with identification of problem areas.
5. Recent photographs showing the work in progress.

B. At least once a month the PREPA will compare the progress information with the Master Schedule. He will present the results at a





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progress review meeting with the Contractor, with identification of problem areas, if any.

### 1.10 TECHNICAL APPROACH

- A. The Contractor must provide a detailed technical approach to the Project including anticipated activity or methods of analysis and schedule. This section shall be organized to generally follow the arrangement of the items of work and the Scope of Engineering Services.
- B. The Contractor shall provide sample drawings or documents typical of what will be furnished for this Project.
- C. Drawing submittals and specifications are preferred in both reproducible hard copy on The Authority's standard drawing sheets and computer compatible media (AUTOCAD Version 2012 - Portable Hard Drive). All drawings shall be in English with dimensions in feet and inches.
- D. Proponent/Contractor shall submit the following information. Proponent not submitting the required information shall be considered non respondent.

#### 1. Proposal Form

### 1.11 FORCE ACCOUNT

If PREPA and Contractor are unable to negotiate a price for any Changes and/or Extra Work in accordance with the TERMS AND CONDITIONS PREPA may direct the Contractor to perform all or part of the revised Work on a force account basis. When PREPA directs the Contractor to perform revised Work on a force account basis, PREPA will pay the Contractor as specified hereon:

#### A. Labor

PREPA will compensate the Contractor for labor at the actual rate of wage paid and shown on the payroll for every hour that the labor and foreman are actually engaged in the revised Work, plus an additional 15 percent for field and home office overhead costs and profit.

The foreman must be in direct charge of the specific operations and must be at the Project Site in order to be included in this





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compensation. Unless already included in the wage rates paid, the Contractor will also receive the actual labor-related costs incurred by reason of subsistence and travel allowances, health and welfare benefits, pension fund, or other fringe benefits, provided those payments are required by collective bargaining agreement or other employment contract generally applicable to the classes of labor employed on the Work.

The Department will prorate the wages of any foreman who is employed partly on the revised Work and partly on other Work. The Department will determine the prorated wage based on the number of workers employed on each class of Work as shown by the payrolls. The Department will prorate any subsistence or travel allowances paid to the foreman on the same basis as the prorated direct wages.

### B. Materials

PREPA will pay the Contractor the actual cost of acceptable Materials delivered and used in the revised Work, including transportation charges paid by the Contractor (exclusive of equipment rentals), plus an additional 15 percent for field and home office overhead costs and profit.

### C. Equipment

PREPA will pay the Contractor for Equipment at the rental rates agreed by both parties and effective on the date the two parties execute the force account agreement. This compensation is for Equipment, fuel, and lubricants, transportation that PREPA authorizes and the Contractor uses on the Project, plus an additional 15 percent for field and home office overhead costs and profit. PREPA will not pay for small tools. PREPA will pay for the actual time the Equipment is in operation on the revised Work, plus travel time or transportation allowances.

If the Equipment is moved to and from the location of the revised Work under its own power by PREPA's request, PREPA will pay for the travel time at the above rental rates.

#### 1.12 DELIVERY, HANDLING AND STORAGE

A. Products will be delivered to the project, properly identified with name, type, and other necessary information for its identification.

B. All products to be delivered to the project shall comply with PREPA's Covid-19 Health Protocol.



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C. Contractor will be responsible for the delivery, unloading, storage and handling of the materials or equipment to be used in the project, and maintaining them in optimal conditions.

D. Materials will be stored in an adequate area that satisfies PREPA. The storage area will remain clean, in optimal conditions and free of hazards.

E. Contractor will coordinate site storage and rubbish disposal areas with PREPA.

F. Equipment will be packed in suitable crates and boxes. Straps will be provided for full protection of equipment from damage during transit.

G. Protect stored pipes, fittings, flanges and valves from moisture and dirt by covering with durable, waterproofing tarpaulins if necessary.

### 1.13 SAFETY PROVISIONS

A. The Contractor shall comply with the following minimum requirements of a health and safety program:

1. The plan shall have its own loss control program.

2. It shall include an accident or incident investigation procedure.

3. It will describe procedures for compliance with requirements of all applicable regulations included in the 29 CFR. The Program latest revision date shall not be greater than a year from the projects commencement date.

B. The PREPA's auditing committee shall approve the program, as a requirement to be included in the Evaluated Suppliers Registry.

C. Plan shall include the following:

1. Plan shall include contingency procedures that include how to proceed in an emergency situation, during an accident, in case of an atmospheric disturbance, in case of fire and spill.

2. Copy of all training certificates, licenses or certifications required, according to the scope of work. For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc.





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3. Copy of the Material Safety Data Sheets (MSDS) of all chemical products to be used during the project, for evaluation and approval by the Occupational Safety and Health Office at PREPA (Hazard Communication Section). All chemical products must be approved by PREPA.

D. Services including the application of chemical products within closed spaces, like buildings, will be offered between Monday and Saturday AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before PREPA personnel is to reoccupy. All these will be done in coordination with the local supervisor of PREPA. Services in exterior parts of PREPA can be done during regular working hours.

E. The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, after completion of work. Any remaining construction material shall be removed from PREPA facilities within 24 hours. If the contractor not able to dispose of the materials it shall move to an area protected from the elements.

F. Before commencement of work, the Contractor shall take part in a coordination meeting with a Safety Officer, an Environmental Control Supervisor and the project manager on PREPA's behalf. During this meeting the site-specific work plan will be discussed and reviewed, including the safety rules and the environmental protection procedures to be followed. Also, a tour of the areas to be worked on will take place.

G. All chemical products to be used shall be classified as Approval or Conditionally Approval by PREPA's Substances and Waste Management Department and Hazard Communication Section.

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

I. 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.

J. 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 on the work and all other persons who may be affected. Also to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.





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K. The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

L. The Contractor shall designate a responsible member of his organization at the site whose duty shall be the prevention of accidents, who shall develop and coordinate with the Safety Officer a safety program. This person shall be designated to execute only this duty. He also have the responsibility of conduct and take record of the weekly security meetings with the Contractor's employees involved in the required works and to report all accidents or incidents occurred during the project duration.

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

N. Contractor agrees that it shall perform all work in compliance with federal, state and local occupational safety and health regulations, including but not limiting to hazard communication, and right-to-know laws. In addition, the Contractor agrees to observe the compliance of all precautions stated upon the applicable materials safety data sheets and container labels of all chemicals used in the contracted work.

O. Contractor will obtain and maintain, during the duration of the contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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 following PREPA personnel: Safety Officer, Environmental Control Supervisor and the Substance and Waste Management Department.

P. Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of Puerto Rico Electric Power Authority, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any





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foreseeable emergency.

Q. Contractor will defend, indemnify and hold harmless, Puerto Rico Electric Power Authority, its employees, agents or assigns for any and all direct liabilities and expenses arising out of noncompliance with safety provision clauses, irrespective of any other terms of this agreement.

R. Puerto Rico Electric Power Authority may unilaterally terminate this contract upon Contractor's nonobservance of any of the foregoing or for any failure to comply with any of the safety provisions on this Contract upon thirty (30) days of a written notice to Contractor.

### 1.14 ENVIRONMENTAL PROTECTION CONDITIONS

A. The Contractor shall exercise every reasonable precaution throughout the life of the project to prevent silting of rivers, streams, sea, ocean, lakes and reservoirs. Construction of drainage facilities as well as performance of other contract work, which will contribute to the control of settlings, shall be carried out in conjunction with earthwork operations or as soon thereafter as is practicable.

B. Unless otherwise approved in writing by PREPA, construction operations in rivers, streams, lakes and reservoirs shall be restricted to those areas where channel changes are shown on the plans and to those areas that must be entered for the construction of temporary or permanent structures. Rivers, streams, lakes and reservoirs shall be promptly cleared of all false work, piling, debris, or other obstructions placed therein or caused by the construction operations. Frequent fording or live streams with construction equipment will not be permitted. Temporary bridges or other structures shall be used wherever an appreciable number of stream crossings are necessary.

C. Unless otherwise approved in writing by PREPA, mechanized equipment shall not be operated in live streams except as may be required to construct channel and temporary or permanent structures. The Contractor shall exercise every reasonable precaution throughout the life of the project to prevent pollution of rivers, sea or ocean streams, lakes or reservoirs.

D. Pollutants, such as chemicals, fuels, lubricants, bitumen, raw, sewage and other harmful waste shall not be discharged into or alongside of rivers, streams, seas, oceans, lakes or reservoirs or into natural or manmade channels leading thereto. The Contractor shall also comply with the applicable regulations relating to the prevention and abatement of water, air and noise pollution among others. The Contractor shall be





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liable for any fines imposed to PREPA due to the Contractor's noncompliance with any federal or local environmental regulation.

E. The Contractor agrees to indemnify PREPA for all direct liabilities and expenses arising out of any claim due to an environmental violation, caused by his enterprises during the performance of the contract or by nonperformance of its obligations under the contract.

F. The Contractor should have available, close to the working area, the necessary equipment to control and pick up any spilling that could occur, during the performance of the work required by the contract. The equipment should include the necessary for the waste disposal.

G. All equipment to be used in the work area should be free of oil, transmission fluid or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired out of the PREPA site or replace immediately.

H. The Contractor should dispose of all garbage generated because of this work, according to the environmental regulations. The use of PREPA's garbage disposal equipment is not permitted. The removed materials shall be disposed as soon as possible (less than 24 hrs.) in order to avoid exposed materials at open areas. If the materials can't be disposed immediately, the Contractor shall move the materials to a contained and non-exposure area.

I. Any Chemical product to be used shall be classified Approved by PREPA's Hazard Communications Section before entering the work area of PREPA's premises.

J. The Contractor shall protect all chemical products to be used against rain or any other weather conditions. Prior to the use of any chemical product, the United States Environmental Protection Agency (USEPA), has to approve the discharge of any toxic substance under the NPDES Permit for each facility. Discharge of any product under the Federal Insecticide, fungicide and Rodenticide Act is prohibited unless specifically authorized under the NPDES Permit. The assistance includes, and is not limited to, any information regarding the process, products and technical issues under EPA's evaluation.

K. The Contractor shall avoid contaminating air, soil or water with chemical substances or waste material generated because of his work.

L. As a part of best management practice, the Contractor shall avoid





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the use of water for cleaning purposes. The use of dry cleaning techniques (absorbents or vacuum cleaning) is necessary to avoid the potential contamination of the NPDES discharges. Also follow the section 12.0 of the Storm Water Pollution Prevention plan (SWPPP) for Costa Sur Power Plant. The SWPPP is a requirement of NPDES permit.

M. All chemical analysis shall be performed by a laboratory included in PREPA's Material Management Division Supplier's Register as companies properly qualified and evaluated by PREPA's Quality Assurance Department to perform this type of work. Prepa's personnel will audit the sampling and disposal of waste material.

N. "The disposal of hazardous waste material (if any) shall be done in a PREPA approved Treatment, Storage, Disposal Facility (TSDF).

O. The Contractor shall comply with all environmental laws and regulations related to water, soil and air quality.

P. The Contractor shall comply with all arrangements established in the Consent Decree between PREPA and Environmental Protection Agency.

Q. All work shall be performed according to the Storm Water Pollution Prevention plan (SWPPP) for Costa Sur Power Plant, which is part of the Special Conditions of the NPDES permit.

R. The Contractor will be held responsible for any NPDES violations and its related costs if the violations are related to the Contractor's activities.

S. The Contractor shall submit evidence of compliance with 49 CFR 172 Subpart H (DOT).

T. All work shall be performed according to Section 13 of the Storm Water Pollution Prevention Plan (SWPPP) for Costa Sur Power Plant. (Section 13.0 - Contractor Practices and Procedures), included as follows:

1. Contractors are potential sources of contamination in storm-water and process wastewater because of the wide variety of materials used and the non-routine nature of their work. However, contractors must adhere to the PREPA policies regarding maintenance practices, operations practices, good housekeeping, training, materials compatibility, condition of equipment, and materials handling.

2. A routine part of a Contractor's is SWPP training. Each Contractor must confirm that its employees are properly trained in environmental and



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safety principles and pertinent plant policies. Non adherence to these policies can result in dismissal of a Contractors employee or the entire Contractor Company.

3. Specific controls on Contractor activities include:

- SWPPP training at Contractor orientation.
- Documentation of materials brought on site by the Contractor. Contractor must identify materials and amounts in their bid documents. Also, Contractor must remove all unused material from the site at the completion of the project.
- Contractor's equipment must be in good working order. Equipment with broken or defective parts or oil leaks will not be allowed on site.

U. It is necessary to avoid the development of a new storm-water discharge point as a consequence of the construction activities. These activities shall not cause any violations to the NPDES Permit Discharges.

V. The Contractor shall submit, for evaluation by the Environmental Control Supervisor, a copy of a Site Specific Work Plan. The Plan shall include any other regulation or guideline applicable to the scope of work, and shall include a contingency plan which includes how to proceed in an emergency situation, such as: an accident, an atmospheric disturbance, hazardous chemical substance spill, a fire and others.

W. The Contractor shall inform and coordinate with the Environmental Control Supervisor of any work to be done to avoid any environmental violation.

X. Before starting the work, the Contractor shall submit, for evaluation by the Environmental Protection and Quality Assurance Division, a copy of a Site Specific Work Plan.

Y. The Contractor, upon completion of the work, must leave all work areas clean, organized and free of contaminants, according to the laboratory analysis, before and after the work. The storage area for the removed equipments and parts must be appropriate to avoid contaminants dispersion to the ground or water.

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





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AA. When using portalettes, the Contractor is responsible for the location of these in diked protected areas to prevent and avoid any sanitary discharge thru the power plant premises. It is prohibited to clean or wash the portalettes within the power plant premises.

### PART 2 PRODUCTS

A. All products in this project shall be approved by PREPA prior entrance to the property.

### PART 3 EXECUTION

#### 3.1 REQUIRED WORK

A. The required works will be based on the global cost of the project. These will be coordinated and integrated to obtain a uniform job stream. The works required for the Water Condensate Tank 5 Structural Retrofit shall include, but not necessarily limited to the following activities.

1. Demolition and disposal of existing structural elements.
2. Provide and install anchor bolts and chairs, as per Option A or Option B (PREPA shall decide which option to be used).
3. Repair the existing concrete Pile Cap with epoxy and cement mortar materials, as per drawings.
4. Extension of the Pile Cap of the Condensate Tank 5, as per Option A or Option B (PREPA shall decide which option to be used).
5. Repairs to the steel structure of the Condensate Tank 5, as per Option A or Option B (PREPA shall decide which option to be used).
6. Construction of concrete stairs, as per drawings.

B. Work shall be performed on a period not to exceed 60 calendar days.

C. Work Shifts shall be performed on a 16 hours/7 days a week basis. This shall be included as part of the Contractor's Specific Work Plan.

End of Special Conditions

### TECHNICAL SPECIFICATIONS

CONDENSATE TANK 5

AEE COSTA SUR





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Guayanilla, PR

### CONCRETE WORK

#### SECTION 03300 - CAST-IN PLACE CONCRETE

##### 1. SCOPE OF WORK

Covers furnishing and installing all concrete work as shown on plans and/or specified herein.

##### 2. WORK INCLUDED

A. This Section specifies cast-in place concrete, including formwork, reinforcing, mix design, placement procedures, and finishes.

B. Cast-in-place concrete includes the following:

1. Foundations and footings.
2. Concrete Slabs.
3. Foundation walls.
4. Slabs-on-grade.
5. Fill for steel decks.
6. Shear walls
7. Building frame members (columns, toppings, beams and slabs,).
8. Stairs, landings and lobby floors.
9. Equipment pads and bases.

##### 2.1 SUBMITTALS

A. General: Submit the following according to Conditions of the Contract and Division 1 Specification Sections.

B. Product data for proprietary materials and items, including reinforcement and forming accessories, admixtures, patching compounds, waterstops, joint systems, curing compounds, dry-shake finish materials, and others if requested by Architect/Engineer.

C. Shop drawings for reinforcement detailing fabricating, bending, and placing concrete reinforcement. Comply with ACI 315 "Manual of Standard Practice for Detailing Reinforced Concrete Structures" showing bar schedules, stirrup spacing, bent bar diagrams, and arrangement of concrete reinforcement. Include special reinforcing required for openings through concrete structures.



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D. Shop drawings for formwork indicating fabrication and erection of forms for specific finished concrete surfaces. Show form construction including jointing, special form joints or reveals, location and pattern of form tie placement, and other items that affect exposed concrete visually.

Architect/Engineer's review is for general Architect/Engineer applications and features only. Designing formwork for structural stability and efficiency is Contractor's responsibility.

E. Samples of materials as requested by Architect/Engineer, including names, sources, and descriptions, as follows:

1. Color finishes.
2. Normal weight aggregates.
3. Reglets.
4. Waterstops.
5. Form liners.

F. Laboratory test reports for concrete materials and mix design test.

G. Material certificates in lieu of material laboratory test reports when permitted by Architect/Engineer. Material certificates shall be signed by manufacturer and Contractor, certifying that each material item complies with or exceeds specified requirements. Provide certification from admixture manufacturers that chloride content complies with specification requirements.

H. Minutes of pre-installation conference.

### 2.2 QUALITY ASSURANCE

A. Codes and Standards: Comply with provisions of the latest edition of the following codes, specifications, and standards, except where more stringent requirements are shown or specified:

1. American Concrete Institute (ACI) 301, "Specifications for Structural Concrete for Buildings."
2. ACI 318, "Building Code Requirements for Structural Concrete".
3. ACI 347, "Recommended Practice for Concrete Formwork".
4. Concrete Reinforcing Steel Institute (CRSI) "Manual of Standard Practice."

B. Concrete Testing Service: Engage a testing agency acceptable to





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Architect/Engineer to perform material evaluation tests and to design concrete mixes. Concrete mix shall be sealed and signed by a Professional engineer.

C. Materials and installed work may require testing and retesting at any time during progress of Work. Tests, including retesting of rejected materials for installed Work, shall be done at Contractor's expense.

D. Mockup: Cast mockup of size indicated or as required to demonstrate typical joints, form tie spacing, and proposed surface finish, texture, and color. Maintain sample panel exposed to view for duration of Project, after Architect/Engineer's acceptance of visual qualities. Demolish mockup and remove from site when directed by Architect/Engineer.

E. Pre-installation Conference: Conduct conference at Project site to comply with requirements of Division 1 Section "Project Meetings" and the following:

1. At least 30 days prior to submitting design mixes, conduct a meeting to review detailed requirements for preparing concrete design mixes and to determine procedures for satisfactory concrete operations. Review requirements for submittals, status of coordinating work, and availability of materials. Establish preliminary work progress schedule and procedures for materials inspection, testing, and certifications. Require representatives of each entity directly concerned with cast-in-place concrete to attend conference, including, but not limited to, the following:

- a. Contractor's superintendent.
- b. Agency responsible for concrete design mixes.
- c. Agency responsible for field quality control.
- d. Ready-mix concrete producer.
- e. Concrete subcontractor.
- f. Primary admixture manufacturers.

F. For the purposes of this Specification, all concrete within the parking areas is considered to be "exposed to public view".

G. The Contractor shall keep the following references at the project site:

1. ACI 301 (latest edition) "Specification for Structural Concrete for Buildings".
2. ACI 305R "Hot Weather Concreting".





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### 3. REFERENCE SPECIFICATIONS AND TESTING METHODS

Except as they may be modified by the specifications, the following specifications and standards, of the issue in effect at the date of invitation for bids, shall govern in all instances where references thereto are made.

- a. Federal Specifications - NN-P-530 Plywood, flat panel
- b. American Society for Testing and Materials
  - A-82 Cold drawn steel wire for concrete reinforcement.
  - A-184 Fabricated steel bars for concrete reinforcement.
  - A-185 Welded steel wire fabric for concrete reinforcement.
  - A-615 Deformed billet steel bars for concrete reinforcement.
  - C-31 Making and curing concrete compression and flexure test specimens in the field.
  - C-33 Concrete aggregates.
  - C-39 Compressive strength of molded concrete cylinders.
  - C-42 Standard method of obtaining and testing drilled cores and sawed beams of concrete.
  - C-94 Ready mixed concrete.
  - C-138 Test for weight per cubic foot, yield, and air content (gravimetric) of concrete.
  - C-143 Test for slump of Portland cement concrete.
  - C-150 Portland cement
  - C-171 Sheet materials for curing concrete.
  - C-172 Sampling fresh concrete.
  - C-192 Making and curing concrete compression and flexural test specimens in the laboratory.



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- C-231 Test for air content of freshly mixed concrete.
- C-260 Air entraining admixtures for concrete.
- C-494 Chemical admixtures for concrete.
- C-994 Preformed expansion joint filler for concrete (Bituminous type).
- D-1751 Preformed expansion joint fillers for concrete paving and structural construction (Non-extruding and Resilient Bituminous type).

c. ACI and CRSI Standards

Detailed recommendations for acceptable practices, while not a part of these specifications, are available in the following standards and recommendations of the American Concrete Institute and the Concrete Reinforcing Steel Institute.

- ACI-214 Recommended Practice for Evaluation of Compression Test Results of Field Concrete.
- ACI-302 Recommended Practice for Concrete Floor and Slab Construction.
- ACI-304 Placing Concrete by Pumping Methods.
- ACI-308 Recommended Practice for Curing Concrete.
- ACI-311 Recommended Practice for Concrete Inspection.
- ACI-315 Manual of Standard Practice for Detailing Reinforced Structures.
- ACI-318 Building Code Requirements for Reinforced Concrete.
- ACI-347 Recommended Practice for Concrete Formwork.
- ACI-605 Recommended Practice for Hot Weather Concreting.
- ACI-211.1 Recommended Practice for Selecting Proportions for Normal Weight Concrete.
- ACI-614 Recommended Practice for Measuring, Mixing and Placing Concrete.
- CRSI-63 Recommended Practice for Placing Reinforcement Bars.





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CRSI-65 Recommended Practice for Placing Bar Supports, Specifications and Nomenclature.

#### 4. MATERIALS

##### 4.1 Cement

A. Portland Cement: ASTM C 150, Type I. Use one brand of cement throughout Project unless otherwise acceptable to Architect/Engineer.

B. Fly Ash: ASTM C 618, Type F.

1. Maximum loss on ignition: 3%
2. Maximum percent retained on #325 sieve: 28%
3. Maximum water requirement, stated as a percentage of control: 100%
4. Testing: ASTM C311
5. Percentage of fly ash in mix design shall be by weight.

Water/cement ratio shall be calculated using total cement and fly ash content.

##### 4.2 Aggregates

1) Aggregates for concrete of normal weight shall conform to "Specifications for Concrete Aggregates" (ASTM C-33).

2) Fine and coarse aggregates shall be regarded as separate ingredients. Each size of coarse aggregate, as well as the combination of sizes when two or more are used, shall conform to the grading requirements of the appropriate ASTM specifications.

3) For exposed exterior surfaces, do not use fine or coarse aggregates that contain substances that cause spalling.

Local aggregates not complying with ASTM C 33 that have been shown to produce concrete of adequate strength and durability by special tests or actual service may be used when acceptable to Architect/Engineer.

4) Lightweight Aggregates: ASTM C 330.

##### 4.3 Admixtures

1) The use of any material added to the mix to improve its workability,





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which in the opinion of the Engineer may have an injurious effect on the strength, density and durability of the concrete, will not be permitted. Before approval of any material, the Contractor will be required to submit the results of complete chemical and sieve analysis made by an acceptable testing laboratory.

2) The material added shall be pozzolanic, cementitious of siliceous. It shall not contain effective, early heat producing elements or compounds, such as those contained in Portland cement nor shall its use result in a material increase in the free lime content of the concrete.

#### 4.4 Water

Mixing water for concrete shall be fresh, clean and potable. It shall be free from oil, acid, alkali, salts, organic matter or other deleterious material.

#### 4.5 Testing Aggregates

The Contractor shall select his sources of aggregates in ample time before they are needed on the work; and shall submit samples for testing by the Contractor testing lab., results submitted to Owner for approval prior to placing of concrete.

#### 4.6 Reinforcement

1) Reinforcement shall be intermediate and/or high strength billet steel as noted on drawings.

Reinforcing Bars: ASTM A 615 Grade 60, deformed.

Weldable Deformed Steel: ASTM A706

2) The Contractor shall furnish the Engineer a mill certificate certifying that steel meets ASTM Specifications Requirements.

#### 4.7 Forms

1) Wood forms for unexposed concrete surfaces shall be No. 2 common or better, or plywood (as in 2) following.

2) Wood forms for exposed concrete surface shall be not less than 4 plies, 3/4" plywood or they shall have form linings of 1/4" plywood or 3/16" fiberboard.



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- 3) Metal forms shall be as approved by the Engineer.
- 4) Form moistening liquid shall be non-staining release agent which will not affect bond of plaster or paint.
- 5) Use plywood complying with U.S. Product Standard PS-1 "B-B (Concrete Form) Plywood," Class I, Exterior Grade or better, mill-oiled and edge-sealed, with each piece bearing legible inspection trademark.

### 4.8 Related Materials

A. Reglets: Where sheet flashing or bituminous membranes are terminated in reglets, provide reglets of not less than 0.0217 inch thick galvanized sheet steel. Fill reglet or cover face opening to prevent intrusion of concrete or debris.

B. Dovetail Anchor Slots: Hot-dip galvanized sheet steel, not less than 0.0336 inches thick with bent tab anchors. Fill slot with temporary filler or cover face opening to prevent intrusion of concrete or debris. Space @ 2'-0" o.c., maximum where exterior cast-in-place walls and columns are to receive brick or stone veneer.

C. Waterstops: Provide flat, dumbbell-type or center bulb-type water stops at construction joints and other joints as indicated. Size to suit joints.

D. Rubber Waterstops: Corps of Engineers CRD-C 513.

1. Available Manufacturers: Subject to compliance with requirements, manufacturers offering products that may be incorporated in the Work include, but are not limited to, the following:

- a. The Burke Co.
- b. Progress Unlimited.
- c. Williams Products, Inc.

E. Polyvinyl Chloride Waterstops: Corps of Engineers CRD-C 572.

1. Available Manufacturers: Subject to compliance with requirements, manufacturers offering products that may be incorporated in the Work include, but are not limited to, the following:

- a. The Burke Co.
- b. Greenstreak Plastic Products Co.
- c. W.R. Meadows, Inc.





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- d. Progress Unlimited.
- e. Schlegel Corp.
- f. Vinylex Corp.

F. Absorptive Cover: Burlap cloth made from jute or kenaf, weighing approximately 9 oz./sq. yd., complying with AASHTO M 182, Class 2.

G. Moisture-Retaining Cover: One of the following, complying with ASTM C 171.

- 1. Waterproof paper.
- 2. Polyethylene film.
- 3. Polyethylene-coated burlap.

H. Liquid Membrane-Forming Curing Compound: Liquid-type membrane-forming curing compound complying with ASTM C 309, Type I, Class

A. Moisture loss not more than 0.55 kg/sq. m when applied at 200 sq. ft./gal.

1. Available Products: Subject to compliance with requirements, products that may be incorporated in the Work include, but are not limited to, the following:

- a. A-H 3 Way Sealer, Anti-Hydro Co., Inc.
- b. Spartan-Cote, The Burke Co.
- c. Conspec #1, Conspec Marketing & Mfg. Co.
- d. Sealco 309, Cormix Construction Chemicals.
- e. Day-Chem Cure and Seal, Dayton Superior Corp.
- f. Eucocure, Euclid Chemical Co.
- g. Horn Clear Seal, A.C. Horn, Inc.
- h. L&M Cure R, L&M Construction Chemicals, Inc.
- i. Masterkure, Master Builders, Inc.
- j. CS-309, W.R. Meadows, Inc.
- k. Seal N Kure, Metalcrete Industries.
- l. Kure-N-Seal, Sonneborn-Chemrex.
- m. Stontop CS2, Stonhard, Inc.

I. Water-Based Acrylic Membrane Curing Compound: ASTM C 309, Type I, Class B.

1. Provide material that has a maximum volatile organic compound (VOC) rating of 350 g/L.

2. Available Products: Subject to compliance with requirements, products that may be incorporated in the Work include, but are not limited to, the following:





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- a. Highseal, Conspec Marketing and Mfg. Co.
- b. Sealco - VOC, Cormix Construction Chemicals.
- c. Safe Cure and Seal, Dayton Superior Corp.
- d. Aqua-Cure, Euclid Chemical Co.
- e. Dress & Seal WB, L&M Construction Chemicals, Inc.
- f. Masterkure 100W, Master Builders, Inc.
- g. Vocomp-20, W.R. Meadows, Inc.
- h. Metcure, Metalcrete Industries.
- i. Stontop CS1, Stonhard, Inc.

3. Must be compatible with traffic coatings (See Division 7).

J. Evaporation Control: Monomolecular film-forming compound applied to exposed concrete slab surfaces for temporary protection from rapid moisture loss.

1. Available Products: Subject to compliance with requirements, products that may be incorporated in the Work include, but are not limited to, the following:

- a. Aquafilm, Conspec Marketing and Mfg. Co.
- b. Eucobar, Euclid Chemical Co.
- c. E-Con, L&M Construction Chemicals, Inc.
- d. Confilm, Master Builders, Inc.
- e. Waterhold, Metalcrete Industries.
- f. SikaFilm, Sika Corp.

K. Underlayment Compound: Free-flowing, self-leveling, pumpable, cement-based compound for applications from 1 inch thick to feathered edges.

1. Available Products: Subject to compliance with requirements, products that may be incorporated in the Work include, but are not limited to, the following:

- a. K-15, Ardex, Inc.
- b. Self-Leveling Wear Topping, W.R. Bonsal Co.
- c. Conflow, Conspec Marketing and Mfg. Co.
- d. Corlevel, Cormix Construction Chemicals.
- e. LevelLayer II, Dayton Superior Corp.
- f. Flo-Top, Euclid Chemical Co.
- g. Gyp-Crete, Gyp-Crete Corp.
- h. Levellex, L&M Construction Chemicals, Inc.
- i. Underlayment 110, Master Builders, Inc.
- j. Stoncrete UL1, Stonhard, Inc.



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- k. Concrete Top, Symons Corp.
  - l. Thoro Underlayment Self-Leveling, Thoro System Products.
  - L. Bonding Agent: Polyvinyl acetate or acrylic base.
    - 1. Available Products: Subject to compliance with requirements, products that may be incorporated in the Work include, but are not limited to, the following:
      - a. Polyvinyl Acetate (Interior Only):
        - 1) Superior Concrete Bonder, Dayton Superior Corp.
        - 2) Euco Weld, Euclid Chemical Co.
        - 3) Weld-Crete, Larsen Products Corp.
        - 4) Everweld, L&M Construction Chemicals, Inc.
        - 5) Herculox, Metalcrete Industries.
        - 6) Ready Bond, Symons Corp.
      - b. Acrylic or Styrene Butadiene:
        - 1. Acrylic Bondcrete, The Burke Co.
        - 2. Strongbond, Conspec Marketing and Mfg. Co.
        - 3. Day-Chem Ad Bond, Dayton Superior Corp.
        - 4. SBR Latex, Euclid Chemical Co.
        - 5. Daraweld C, W.R. Grace & Co.
        - 6. Hornweld, A.C. Horn, Inc.
        - 7. Everbond, L&M Construction Chemicals, Inc.
        - 8. Acryl-Set, Master Builders Inc.
        - 9. Intralok, W.R. Meadows, Inc.
        - 10. Acrylpave, Metalcrete Industries.
        - 11. Sonocrete, Sonneborn-Chemrex.
        - 12. Stonlock LB2, Stonhard, Inc.
        - 13. Strong Bond, Symons Corp.
        - 14. SikaLatex R, Sika Corp.
- M. Epoxy Adhesive: ASTM C 881, two-component material suitable for use on dry or damp surfaces. Provide material type, grade, and class to suit Project requirements.
  - 1. Available Products: Subject to compliance with requirements, products that may be incorporated in the Work include, but are not limited to, the following:
    - a. Burke Epoxy M.V., The Burke Co.
    - b. Resi-Bond (J-58), Dayton Superior.
    - c. Euco Epoxy System #452 or #620, Euclid Chemical Co.





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- d. Sikadur 32 Hi-Mod, Sika Corp.
- e. HILTI HVA Adhesive Anchor System, Hilti Caribe Inc .
- N. Nails for post-tensionig anchors shall be stainless steel.
- O. Groover for tooled joints shall be Goldblat Tool Co. #06-314-M7.
- P. Joint filler for slabs and curbs, and to isolate slabs and columns:
  - 1. Asphalt impregnated fiber board.
    - a. "Flexcell" by Celotex Corp.
    - b. "Fibre Expansion Joint" by W. R. Meadows, Inc.
  - 2. Joint filler to vertically isolate walls from columns or other walls:
    - a. White molded polystyrene beadboard.
  - 3. Joint cover for gap between columns and grade, retaining or basement walls:
    - a. "Sealtight Premolded Membrane Vaper Seal" by W.R. Meadows, Inc.
    - b. "Sealtight Melnar" by W.R.Meadows, Inc.
  - 4. See drawings for details and exact locations.

#### 4.9 Concrete Mixing

A. Job-Site Mixing: Mix concrete materials in appropriate drum-type batch machine mixer. For mixers of 1 cu. yd. or smaller capacity, continue mixing at least 1-1/2 minutes, but not more than 5 minutes after ingredients are in mixer, before any part of batch is released. For mixers of capacity larger than 1 cu. yd., increase minimum 1-1/2 minutes of mixing time by 15 seconds for each additional 1 cu. yd. Provide batch ticket for each batch discharged and used in the Work, indicating Project identification name and number, date, mix type, mix time, quantity, and amount of water introduced.

B. Ready-Mixed Concrete: Comply with requirements of ASTM C 94, and as specified. When air temperature is between 85 deg F and 90 deg F, reduce mixing and delivery time from 1-1/2 hours to 75 minutes, and when air temperature is above 90 deg F , reduce mixing and delivery time to 60





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minutes.

### 5. STORAGE OF MATERIALS

- a. Cement shall be stored in weather tight buildings, bins, or silos which will provide protection from dampness and contaminations and will minimize warehouse set.
- b. Aggregate stockpiles shall be arranged and use in a manner to avoid excessive segregation or contamination with other materials or with other sizes of like aggregates.
- c. Admixtures shall be stored in such manner as to avoid contamination, evaporation, or damage. For those used in the form of suspension or non-stable solutions, suitable agitating equipment shall be provided to assure uniform distribution of the ingredients. Liquid admixtures shall be protected from temperature changes which may adversely affect their characteristics.
- d. Reinforcement shall be stored in a manner that will avoid rusting or coating by grease, oil, dirt, or other objectionable material. Storage shall be in separate piles or stacks so as to avoid confusion or loss of identification after bundles are broken.

### 6. TESTING

#### a. General

- 1) Concrete materials and operations will be tested and inspected as the work progresses. Failure of the Engineer to detect any defective work or material shall not, in any way, prevent later rejection when such defect is discovered, nor shall it obligate the Engineer for final acceptance.
- 2) Routine testing of resulting concrete for compliance with technical requirements of the specifications shall be the duty of the Testing Laboratory designated by the Owner, and will be performed without expense to the Contractor. The Contractor shall be at liberty to engage at his expense a separate testing laboratory for his own information and guidance.
- 3) Testing required because of changes in materials or proportions of the mix requested by the Contractor, as well as any extra testing of concrete or material occasioned by their failure to meet specifications



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requirements, shall be at the Contractor's expense.

b. Testing Services

1) The designated testing laboratory shall:

a) Conduct strength tests of the concrete in accordance with the following procedures:

1) Secure composite samples in accordance with "Method of Sampling Fresh Concrete" (ASTM C172). Each strength test shall be obtained from a different batch of concrete on a representative truly random basis, avoiding any selection of the test batch other than by a number selected at random before commencement of concrete placement. When pumping or pneumatic equipment is used, samples shall be taken at the discharge end.

2) Mold six (9) specimens from each sample representative of each 50 cubic yards or fraction thereof or each days pour, whichever is less, of each class of concrete placed. Test cylinders shall be made in accordance with "Method of Making and Curing Concrete compression and Flexure Specimens in Field" (ASTM C31), and cure under standard moisture and temperature conditions in accordance with Sections 7(a) and 7(b) of the above ASTM method.

3) Test three (3) specimens at 3 days and three (3) at 7 days and three (3) at 28 days in accordance with "Method of Test for Compressive Strength of Molded Concrete Cylinders" (ASTM C39). The test result shall be average of the strengths of the three specimens, except that if one specimen in a test manifests evidence of improper sampling, molding, or testing, it shall be discarded and the remaining two strengths averaged. Should more than one specimen in a test show any of the above defects, the entire test shall be discarded.

b) Determine air content of concrete of normal weight on a regular and frequent basis in accordance with either ASTM test method.

c) Report all test results to the Engineer and the Contractor the same day that tests are made.

d) Determine slump of the concrete sample for each strength test and whenever consistency of concrete appears to vary, using "Method of Test for Slump of Portland Cement Concrete" (ASTM C143).

2) The testing laboratory may also perform the following additional services if the Owner so desires:





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- a) Check batching and mixing operations to the extent deemed necessary.
- b) Review the manufacturer's report of each shipment of cement and reinforcing steel, and/or conduct laboratory tests of spot checks of these materials as received.
- c) Mold and test reserve 7-day field cylinders as required, or perform additional services as authorized by the Owner.
- d) Sample concrete at points of placement and perform required tests.
- c. Contractors Responsibilities
  - 1) The use of testing services shall in no way relieve the Contractor of his responsibility to furnish materials and construction in full compliance with the plans and specifications.
  - 2) To facilitate testing services, the Contractor shall:
    - a) Secure and deliver to the Engineer or his testing agency, without cost, the preliminary representative samples of the materials he proposes to use and which are required to be tested.
    - b) Submit through the testing agency to the Engineer the concrete mix design he proposes to use, and make written request for approval.
    - c) Furnish any necessary labor to assist the designated testing agency in obtaining and handling samples at the project or other sources of materials.
    - d) Advise the testing agency sufficiently in advance of operations to allow for completion of quality tests and for the assignment of personnel.
    - e) Provide and maintain for the sole use of the testing agency adequate facilities for safe storage and proper curing of concrete test cylinders on the project site for the first 24 hours, as required by ASTM C31.
    - f) Furnish copies of mill test reports of all shipments of cement and reinforcing steel to the Engineer and the testing agency, if required.
- d. Evaluation of Concrete Strength
  - 1) The standard age of test shall be 28 days, but 7-day test may be used with the permission of the Engineer provided that the relation





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between the 7 days and 28 days strength of the concrete is established by tests for the materials and proportioned used.

2) Strengths of working stress type concrete shall be considered satisfactory if the average of any five consecutive strength tests of the laboratory cured specimens representing each specified strength of concrete is equal to or greater than the specified strength and if not more than 20% of the strength tests have values less than the specified strength.

3) Strengths of ultimate strength type and pre-stressed concrete shall be considered satisfactory if the average of any three consecutive strength tests of concrete is equal to or greater than the specified strength, and no individual strength tests have values less than the specified strength by more than 500 psi.

4) For portions of the work where concrete of deficient strength has resulted the Engineer may, at his option, require core tests in accordance with "Methods of Obtaining and Testing Drilled Cores and Sawed Beams of Concrete" (ASTM C42). Cores shall be tested saturated-surface-dry if the concrete they represent will be wet at any time during use of the completed structures. Cores shall be tested air-dry if the concrete they represent will dry at all times during the use of the completed structure.

The laboratory report shall state whether the cores were tested saturated-surface-dry or surface-dry. At least three representative cores shall be taken from each member or area of concrete in place that is considered potentially deficient. The location of cores will be determined by the Engineer so as to least impair the strength of the structure. If, before testing, one or more of the cores shows evidence of having been damaged subsequent to or during removal from the structure, it may be replaced.

Strength of cores from working stress type concrete from each member or area shall be considered satisfactory if their average is equal to or greater than 85% of the specified strength and if no single core is less than 75% of the specified strength  $f'c$ .

Impact hammers, sonoscopes, or other non-destructive testing devices may be used, if approved, to determine relative strengths of various areas of the structure as an aid in evaluating concrete in place or in determining locations of areas to be cored. Test results so obtained, unless properly calibrated and correlated with other test data, shall not be used as a basis for acceptance or rejection.



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### 7. STRENGTH OF STRUCTURE

A. The strength of the structure in place will be considered potentially deficient if it fails to comply with any requirements which control the strength of the structure, including but not necessarily limited to the following conditions:

- 1) Low concrete strength as evaluated by paragraph 2 above.
- 2) Reinforcing steel size, quantity, strength, position, or arrangement at variance with the requirements of the project drawings.
- 3) Concrete which differs from the required dimensions or locations in such a manner as to reduce the strength.
- 4) Curing less than that specified.
- 5) Inadequate protection of concrete from extremes of temperature during early stages of hardening and strength development.
- 6) Mechanical injury, construction fires, accidents or premature removal of formwork likely to result in deficient strength.
- 7) Poor workmanship likely to result in deficient strength.

b. If a structural analysis by the Engineer indicates the completed structure will be suitable for its intended use, it may be accepted.

c. To aid in the structural analysis, core tests in accordance with Paragraph 6-d-4, to check the adequacy of the concrete strength may be required.

d. If core tests are inconclusive or impracticable to obtain and structural analysis does not confirm the safety of the structure, load tests may be ordered and their results evaluated as indicated in the code "Building Code Requirements for Reinforced Concrete" (ACI 318).

e. Concrete work judged inadequate by structural analysis or by results of a load test shall be reinforced with additional construction if so directed by the Engineer, or shall be replaced, at the Contractor's expense.

f. The Contractor shall pay all cost for additional testing required herein above if any requirement affecting the strength of the structure is not met.





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### 8. REINFORCEMENT

#### a. General

Details of concrete reinforcement not covered herein shall be in accordance with "Building Code Requirements for Reinforced Concrete" (ACI 318), and "Manual of Standard Practice for Detailing Reinforced Concrete Structures" (ACI 315).

#### b. Reinforcing Steel

- 1) All Reinforcing steel except #2 bars and column spirals shall be deformed as defined in Section 301, "Building Code Requirements for Reinforced Concrete" (ACI 318).
- 2) All reinforcing steel shall be of the yield strength indications on plans and shall conform to the appropriate specifications.

#### c. Welded Wire Fabric

Welded wire fabric shall be electrically-welded wire fabric of cold-drawn wire of gage and mesh size shown on the drawings or required and shall conform to "Specifications for Welded Steel Wire Fabric for Concrete Reinforcement" (ASTM A185).

#### d. Fabricating and Placing Tolerances

- 1) Bars used for concrete reinforcement shall meet the following requirements for fabricating tolerances:
  - a) Sheared length: + 1 in.
  - b) Depth of truss bars: + 0, -1/2 in.
  - c) Stirrups, ties, and spirals: + 1/2 in.
  - d) All other bends: + 1 in.
- 2) Bars shall be placed to the following tolerances:
  - a) Concrete cover to formed surfaces: + 1/4 in.
  - b) Minimum spacing between bars: + 1/4 in.
  - c) Top bars in slabs beams:
    - (1) Members 8 in. deep or less: + 1/4 in.
    - (2) Members more than 8 in. but not over 2 ft. deep: + 1 in.
    - (3) Members more than 2 ft. deep: + 1 in.





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- d) Crosswise of members: spaced evenly within 2 in.
  - e) Lengthwise of members: + 2 in.
- 3) Bars may be moved as necessary to avoid interference with other reinforcing steel, conduits, or embedded items. If bars are moved more than one bar diameter, or enough to exceed the above tolerances, the resulting arrangement of bars shall be subject to approval.
- e. Placing Reinforcement
- 1) General: Comply with Concrete Reinforcing Steel Institute's recommended practice for "Placing Reinforcing Bars," for details and methods of reinforcement placement and supports and as specified. Avoid cutting or puncturing vapor retarder/barrier during reinforcement placement and concreting operations. Repair damages before placing concrete.
  - 2) Clean reinforcement of loose rust and mill scale, earth, ice, and other materials that reduce or destroy bond with concrete.
  - 3) Accurately position, support, and secure reinforcement against displacement. Locate and support reinforcing by metal chairs, runners, bolsters, spacers, and hangers, as Approved by Architect/Engineer.
  - 4) Place reinforcement to maintain minimum coverage as indicated for concrete protection. Arrange, space, and securely tie bars and bar supports to hold reinforcement in position during concrete placement operations. Set wire ties so ends are directed into concrete, not toward exposed concrete surfaces
  - 5) Install welded wire fabric in lengths as long as practicable. Lap adjoining pieces at least one full mesh and lace splices with wire. Offset laps of adjoining widths to prevent continuous laps in either direction.
  - 6) Except where shown on the drawings, welding of reinforcement is prohibited unless approved in writing by Architect/Engineer.
  - 7) All reinforcing bars shall be supported and wired together to prevent displacement by construction loads or the placing of concrete beyond the tolerances of paragraph 8d. On ground and where necessary, supporting concrete blocks may be used.

Over formwork, concrete, metal, plastic or other approved bar chairs and



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spacers shall be used. Where the concrete surface will be exposed to the weather in the finished structure or where rust would impair architectural finishes the portions of all accessories in contact with the formwork shall be galvanized or shall be made of plastic.

8) Welded wire fabric designated as load carrying reinforcement shall have lapped splices so made that the overlap measured between outermost cross wires of each fabric sheet is not less than the spacing of the cross wires plus 2 in. It shall be supported as required for reinforcing bars.

9) Welded wire fabric not specifically designated as load carrying reinforcement shall have lapped splices so made that the overlap measured between outermost cross wires of each fabric sheet is not less than 2 in. It shall be extended across supporting beams and walls and to within 4 in. of concrete edges. It shall be extended through contraction joints and construction joints except keyed joints in slabs on ground. In lieu of adequate support for welded wire fabric, it shall be lifted during placing of concrete to insure its proper position in the slab.

10) Vertical bars in columns shall be offset at least one bar diameter at lapped splices. To insure proper placement, templates shall be furnished for all column dowels.

11) All splices not shown on the project drawings shall be approved.

12) Unless permitted, reinforcement shall not be bent after being partially embedded in hardened concrete.

Repair all epoxy coating damage from fabrication or placing prior to placing concrete. Use only repair material acceptable to manufacturer compatible with epoxy coating and inert in concrete.

### 9. JOINTS AND EMBEDDED ITEMS

#### a. Construction Joints

1) Joints not shown on the drawings shall be so made and located as to least impair the strength of the structure and shall be approved. In general, they shall be located near the middle of the spans of slabs, beams, and girders unless a beam intersects a girder at this point, in which case the joints in the girders shall be offset a distance equal to twice the width of the beams. Joints in walls and columns shall be at the underside of floors, slabs, beams, or girders and at the top of footings





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or floor slabs. Beams, girders, brackets, column capitals, haunches, and drop panels shall be placed at the same time as slabs. Joints shall be perpendicular to the main reinforcement.

2) All reinforcement steel and welded wire fabric shall be continued across joints. Keys and inclined dowels shall be provided as directed by the Engineer. Longitudinal keys at least 1 1/2 in. deep shall be provided in all joints in walls and between walls and slabs or footings.

3) The surface of the concrete at all joints shall be thoroughly cleaned and all laitance removed.

4) When required or permitted, bond shall be obtained by one of the following methods:

a) The use of an approved adhesive.

b) The use of an approved chemical retarder which delays but does not prevent setting of the surface mortar. Retarder mortar shall be removed within 24 hours after placing to produce a clean exposed aggregate bonding surface.

c) By roughening the surface of the concrete in an approved manner which will expose the aggregate uniformly and will not leave laitance, loosened particles of aggregate or damaged concrete at the surface.

### b. Expansion Joints

1) Reinforcement or other embedded metal items bonded to the concrete (except dowels in floors bonded on only one side of joint) shall not be permitted to extend continuously through any expansion joint.

2) Pre-molded expansion joint filler shall be of the type required in the project plans and shall conform to one of the following:

a) "Specifications for Preformed Expansion Joint Filler for Concrete (Bituminous Type)" (ASTM D994).

b) "Specifications for Preformed Expansion Joint Fillers of Concrete Paving and Structural Construction (Non-extruding and Resilient Bituminous Type)" (ASTM D1751).

c) "Specifications for Preformed Expansion Joint Fillers for Concrete Paving and Structural Construction (Non-extruding and Resilient Nonbituminous Types)" (ASTM D1752).





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### c. Waterstops

- 1) The material, design, and location of waterstops in construction joints and expansion joints shall be as indicated in the project specifications and/or drawings.
- 2) Each piece of premolded waterstops shall be of maximum practicable length in order that the number of end joints will be held to a minimum.
- 3) Joints at intersections and at ends of pieces shall be made in the manner most appropriate to the material being used. Joints shall develop effective water tightness fully equal to that of the continuous waterstop material and shall permanently develop not less than 50 percent of the mechanical strength of the parent section and shall permanently retain its flexibility.

### d. Other Embedded Items

- 1) All sleeves, inserts, anchors, and embedded items required for adjoining work or for its support shall be placed prior to concreting.
- 2) All Contractors, whose work is related to the concrete or must be supported by it, shall be given ample notice and opportunity to introduce and/or furnish embedded items before the concrete is placed.

### e. Installing Embedded Items

- A. General: Set and build into formwork anchorage devices and other embedded items required for other work that is attached to or supported by cast-in-place concrete. Use setting drawings, diagrams, instructions, and directions provided by suppliers of items to be attached.
- B. Install reglets to receive top edge of foundation sheet waterproofing and to receive through-wall flashings in outer face of concrete frame at exterior walls, where flashing is shown at lintels, relieving angles, and other conditions.
- C. Install dovetail anchor slots in concrete structures as indicated on drawings.
- D. Forms for Slabs: Set edge forms, bulkheads, and intermediate screed strips for slabs to achieve required elevations and contours in finished surfaces. Provide and secure units to support screed strips using strike-off templates or compacting-type screeds.



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### 10. FORMWORK

#### a. General

- 1) Additional formwork requirements for architectural concrete are described in the Architectural Concrete Section.
- 2) Earth cuts shall not be used as forms for vertical surfaces, unless required or permitted.

#### b. Design of Formwork

- 1) The design and engineering of the formwork, as well as its construction, shall be the responsibility of the Contractor.
- 2) The formwork shall be designed for the loads and lateral pressures outlined in "Recommended Practice for Concrete Formwork" (ACI 347) and wind loads as specified by the controlling local building code. Design considerations and allowable stresses shall also meet the above reference and the applicable requirements of the controlling local building code.
- 3) The maximum deflection of facing material reflected in concrete surfaces exposed to view shall be  $1/240$  of the span between structural members. Suitable moldings or chamfer strips shall be placed in the corners of column, beam and wall forms where the concrete will be exposed to view.
- 4) To maintain the specified tolerances, the formwork shall be cambered to compensate for anticipated deflections in the formwork due to the weight and pressure of the fresh concrete and due to construction loads.
- 5) Positive means of adjustment (wedges or jacks) of shores and struts shall be provided and all settlement shall be taken up during concrete placing operations. They shall be securely braced against lateral deflections.
- 6) Temporary openings shall be provided at the base of column forms and wall forms and at other points where necessary to facilitate cleaning and observation immediately before concrete is deposited.
- 7) Form accessories to be partially or wholly embedded in the concrete, such as ties and hangers, shall be commercially manufactured type. The portion remaining within the concrete shall leave no metal within 1 in. of





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the surface when the concrete is exposed to view. Spreader cones on ties shall not exceed 1 in. of diameter.

8) When removable pans are required these shall be of the sizes and shapes shown on plans and free from rust or scale. They shall be accurately located and fixed on the forms. Prepare layout drawings for use on the job subject to approval.

### c. Tolerances

Formwork shall be constructed so as to insure that the concrete surface will conform to the tolerances of "Recommended Practice for Concrete Formwork" (ACI 347).

### d. Preparation of Form Surfaces

1) Forms shall be sufficiently tight to prevent leakage of grout or cement paste. Board forms having joints opened by shrinkage shall be swelled until closed by wetting before concrete is placed.

2) Plywood and other wood surfaces not subject to shrinkage shall be sealed against absorption of moisture from the concrete by either a field applied, approved form oil or sealer, or a factory applied non-absorptive liner.

3) When forms are coated to prevent bond with concrete, it shall be done prior to placing of the reinforcing steel. Excess coating material shall not be allowed to stand in puddles in the forms nor allowed to come in contact with concrete against which fresh concrete will be placed.

4) Where cast finishes are required, materials which will impart a stain to the concrete shall not be applied to the form surface. Where the finished surface is required to be painted, the material applied to form surfaces shall be compatible with the type of paint to be used.

5) All form surfaces shall be cleaned before reuse.

### e. Removal of Forms

1) Formwork for columns, walls, sides of beams, and other parts not supporting the weight of the concrete may be removed as soon as the concrete has hardened sufficiently to resist damage from removal operations, particularly when form ties will be bent by the removal operations.





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2) Formwork for beam soffits and slabs and other parts that support the weight of concrete, shall remain in place until the concrete has reached 75% of its specified 28-day strength, unless otherwise specified or permitted.

3) When shores and other vertical supports are so arranged that the form facing material may be removed without loosening or disturbing the shores and supports, the facing material may be removed at an earlier age as specified or permitted. The shores and supports shall remain in place until the concrete has reached its specified 28-day strength unless specified or permitted.

4) Whenever the formwork is removed during the curing period, the exposed concrete shall be cured by one of the methods specified in Article 15 (Curing and Protection).

### f. Reshoring

1) When reshoring is permitted or required, the operations shall be planned in advance and shall be subject to approval.

2) Reshoring for the purpose of early form removal shall be performed so that at no time will large areas of new construction be required to support their own weight. While reshoring is under way, no live loads shall be permitted on the new construction. Reshores shall be tightened to carry their required loads but they shall not be overtightened so that the new construction is overstressed. Reshores shall remain in place until the concrete has reached its specified 28-day strength, unless otherwise specified or permitted.

3) Floors supporting shores under wet concrete shall be reshored or shall have their original shores left in place. The reshores shall have at least one-half the load capacity of the shores above and shall be distributed in approximately the same pattern as those above. These reshores shall remain in place until the freshly-placed concrete has reached 75 percent of its specified 28-day strength, unless otherwise specified or permitted.

### g. Removal Strength

When formwork removal or reshoring removal is based on the concrete reaching its specified 28-day strength (or a specified percentage thereof) the concrete shall be presumed to have reached this strength when either of the following conditions has been met:



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1) When test cylinders, field cured under the most unfavorable conditions prevailing for any portion of the concrete represented, have reached the required strength. Except for the field curing and age at least, the cylinders shall be molded and tested as specified under Article 6 (Testing).

2) When the concrete has been cured as specified in these specifications for the same length of time as the age at least of laboratory-cured cylinders which reached the required strength. The length of time the concrete has been cured in the field shall be determined by the cumulative number of days or fractions thereof, not necessarily consecutive, during which the temperature of the air in contact with the concrete is above 50 degrees Fahrenheit and the concrete has been damp or thoroughly sealed from evaporation and loss of moisture.

### 11. PROPORTIONING

#### a. General

Concrete for all parts of the work shall be homogeneous and, when hardened, shall have the required strength, resistance to deterioration, durability, and resistance to abrasion, water tightness, appearance and other specified properties.

b. Type - Concrete shall be of the type or types designated by the project plans, as follows:

1) Working stress type concrete for use in structures or structural elements which have been analyzed and proportioned by working stress (straight line) theory.

2) Ultimate strength type concrete for use in structures for structural elements which have been analyzed and proportioned by ultimate strength design theory.

#### c. Strength

The strength of the concrete for each portion of the structure shall be as designated in the project plans. Strength requirements shall be based on 28-day compressive strengths unless high early strength is specified, in which case required strength shall be obtained at seven (7) days.

#### d. Durability

1) Concrete of normal weight which will be subject to potentially





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destructive exposure (other than wear or loading) such as severe weathering or chemicals shall contain entrained air as indicated in Table A. For any such concrete the water-cement ratio shall not exceed 0.50 absolute ratio by weight.

Table A - Total Air Content for Various Sizes of Course Aggregate  
Nominal maximum size of coarse aggregate, in. Total air content, percentage by volume

3/8	6 to 10
1/2	5 to 9
3/4	4 to 8
1	3.5 to 6.5
1 1/2	3 to 6
2	2.5 to 5.5
3	1.5 to 4.5

### e. Slump

1) Slump concrete of normal weight, as determined by Method of Test for Slump of Portland Cement Concrete" (ASTM C143), shall be in accordance with Table B.

2) The minimum slump shall be waived on concrete used in ramps, folded plates or other sloping construction.

Table B - Slumps for Various Kinds of Construction

Kind of construction	Slump, in	
	Max. *	Min.
Reinforced foundation walls and footings	3	1
Plain footings, caissons, substructure walls	3	1
Slabs, beams, reinforced walls	4	1
Building columns	4	1
Mass Concrete	2	1

\* Slump may be increased to a maximum of 6 inches when chemical admixtures are used, provided that the admixture-treated concrete has the same or lower water-cement or water-cementitious material ratio and does not exhibit segregation potential or excessive bleeding.

### f. Maximum Size of Coarse Aggregate

1) The nominal maximum size of the aggregate shall not be larger than one-fifth of the narrowest dimension between sides of forms, one-third of the depth of slabs, nor three-fourths of the minimum clear distance





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between reinforcing bars or between bars and forms, whichever is least. In columns the nominal maximum size of the aggregate shall be limited as above but shall not be larger than  $2/3$  of the minimum clear distance between bars.

2) Coarse aggregate in concrete of normal weight may be of one maximum size for all concrete placed in one (1) day when quantities to be placed are too small to permit economical use of more than one mix design. When a single mix design is so used, the maximum nominal size shall be as required for the most critical condition of concreting, in accordance with the requirements of paragraph 11-f-1.

### g. Admixtures

1) If required or permitted, admixtures shall be used as follows:

a) Air-entraining admixtures, pozzolanic materials, and proprietary chemical admixtures-in accordance with the recommendations of the manufacturer.

b) Calcium chloride-in accordance with "Recommended Practice for Cold Weather Concreting" (ACI 306).

c) Natural cement and slag cement-in accordance with the project specifications.

2) Calcium chloride shall not be used in quantities exceeding 2 percent of the weight of cement.

3) If required or permitted, an approved water-reducing retarder may be used in the proportions recommended by the manufacturer when the temperature of the concrete as placed exceeds 65F.

### h. Proportioning of Ingredients

#### 1) General

a) The proportion of ingredients shall be selected to produce the proper placeability, durability, strength and other required properties.

b) The proportion of ingredients shall be used as to reduce a mixture which will work readily into the corners and angles of the forms and around reinforcement by the methods of placing and consolidation employed on the work, but without permitting the materials to segregate or excessive free water to collect on the surface.



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### 2) Water-cement Ratio

a) The determination of the water-cement ratio to attain the required strength shall be in accordance with the applicable of Methods 1 or 2 determined in ACI Standard 301.

b) In lieu of proportioning as specified in the preceding paragraph, a mix design employing the same ingredients proposed for use, and used successfully on a previous project under similar conditions to those anticipated on this project may be used provided the following are submitted and approved:

(1) The concrete mix design

(2) Reports for at least 20 consecutive sets if 7-and 28-day concrete strength tests made during the last 6 months.

(3) Reports of compliance tests of fine and coarse aggregates made during the last 6 months.

c) Table C shows the maximum water ratio to be used in relationship with the 28-days compressive strength of the concrete to be cast.

Table C - Water-Cement Ratio and Compressive Strength Relationship  
28-day Compressive Strength in psi      Water-cement ration by weight  
Non-Air-Entrained      Air-Entrained

6000	0.40	-
5000	0.45	0.40
4000	0.55	0.50
3000	0.60	0.55

### 12. MIXING

#### a. Ready-Mixed Concrete

1) Ready mixed concrete shall be mixed and transported in accordance with "Specifications for Ready-Mixed Concrete" (ASTM C94).

#### b. Batch Mixing at Site





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1) The concrete shall be mixed in a batch mixer conforming to the requirements of the Mixer Manufacturers Bureau of the Associated General Contractors of America. The mixer shall bear a manufacturer's rating plate indicating the rated capacity and the recommended revolutions per minute, and shall operate in accordance with these recommendations. It shall be equipped with a suitable charging hopper, water storage tank, and a water-measuring device, and shall be capable of thoroughly mixing the aggregates, cement, and water into a uniform mass within the specified mixing time, and of discharging the mix without segregation.

2) The batch shall be so charged into the mixer as some water will enter in advance of the cement and aggregates. Water shall continue to flow for a period which may extend to the end of the 25% of the specified mixing time. Controls shall be provided to insure that the batch cannot be discharged until the required mixing weight is specified; controls shall be provided to insure that no additional water may be added during mixing. The entire batch shall be discharged before the mixer is recharged.

3) Each batch of 1 cu. yd. or less shall be mixed for not less than 1 minute. The mixing time shall be increased 15 seconds for each additional cubic yard or fraction thereof.

4) The mixer shall be clean, and the pick-up and throw over blades in the drum shall be replaced.

### 13. PLACING

#### a. Preparation before Placing

1) Hardened concrete and foreign materials shall be removed from the inner surfaces of the conveying equipment.

2) Formwork shall have been completed; excess water shall have been removed; reinforcement shall have been secured in place; expansion joint material, anchors, and other embedded items shall have been positioned, and the entire preparation shall have been approved by the Owner's Representative.

3) Semi porous sub grades shall be sprinkled sufficiently to eliminate suction and extremely porous sub grades shall be sealed in an approved manner. Slab on grade shall be poured over 10-mil polyethylene vapor barrier.

#### b. Conveying





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1) Concrete shall be handled from the mixer to the place of final deposit as rapidly as practicable by methods which will prevent separation or loss of ingredients and in a manner which will assure that the required quality of the concrete is obtained.

2) Conveying equipment shall be of size and design to insure a continuous flow of concrete at the delivery end and shall be approved. Conveying equipment and operations shall conform to the following requirements:

a) Truck mixers, agitators, and non agitating units and their manner of operation shall conform to the applicable requirements of "Specifications for Ready-Mixed Concrete" (ASTM C94).

b) Belt conveyor shall be horizontal or at a slope which will not cause segregation or loss of ingredients. An approved arrangement shall be used at the discharge end to prevent separation. Long runs shall be discharged without separation into a hopper.

c) Chutes shall be metal or metal-lined and shall have a slope not exceeding one (1) vertical to two (2) horizontal and not less than one vertical to three horizontal. Chutes more than 20 ft. long and chutes not meeting the slope requirements may be used provided they discharge into a hopper before distribution.

d) Pumping or pneumatic conveying equipment shall be of suitable kind, without "Y" sections, and with adequate pumping capacity. The equipment shall be cleaned at the end of each operation. Pneumatic placement shall be controlled so that separation is not apparent in the discharged concrete, and so that the required slumps are attained within not over 1/2" excess.

### c. Depositing

1) General: Concrete shall be deposited continuously, or in layers of such thickness that no concrete will be deposited on concrete which has hardened sufficiently to cause the formation of seams or planes of weakness within the section. If a section cannot be placed continuously, construction joints shall be located at points as provided for in the drawings or as approved. Placing shall be carried on at such a rate that the concrete which is being integrated with fresh concrete is still plastic. Concrete which has partially hardened or has been contaminated by foreign materials shall not be deposited. Temporary spreaders in forms shall be removed when the concrete placing has reached an elevation



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rendering their service unnecessary. They may remain embedded in the concrete only if made of metal or concrete and if prior approval has been obtained.

2) Placing of concrete in supported elements shall not be started until the concrete previously placed in columns and walls is no longer plastic.

3) Segregation: Concrete shall be deposited as nearly as practicable in its final position to avoid segregating due to rehandling or flowing. Concrete shall not be subject to any procedure which will cause segregation.

4) Consolidation: Where a surface mortar is to be the basis of the finish, the coarse aggregate shall be worked back from the forms with a suitable tool so as to bring a full surface of mortar against the form, without the formation of excessive surface voids. All concrete shall be consolidated by vibration, spading, rodding, or forking so that the concrete is thorough worked around the reinforcement, around embedded items, and into corners of forms, eliminating all air or stone pockets which may cause honey-combing, pitting, or planes of weakness. Internal vibrators shall have a minimum frequency of 8000 vibrations per min. and sufficient amplitude to consolidate the concrete effectively. They shall be operated by competent workmen. Use of vibrators to transport concrete within forms shall not be allowed. Vibrators shall be inserted and withdrawn at points approximately 18. in. apart. At each insertion, the duration shall not be sufficient to cause segregation, generally from 5 to 15 seconds. A spare vibrator shall be kept on the job site during all concrete placing operations.

#### d. Weather Conditions

##### 1) Protection

a) Unless adequate protection is provided and/or approval is obtained, concrete shall not be placed during rain.

b) Rain water shall not be allowed to increase the mixing water nor to damage the surface finish.

##### 2) Placing Temperature

a) Concrete deposited in hot weather shall have a placing temperature which will not cause difficulty from loss of slump, flash set, or cold joints (usually somewhat less than 90°F).





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### e. Bonding

- 1) When specified, the surface of joints shall be prepared in accordance with Paragraph 9-a-4.
- 2) The hardened concrete of joints between footings and walls or columns, between walls or columns and beams or floors they support, joints in unexposed walls and all others not mentioned below shall be dampened (but not saturated) immediately prior to placing of fresh concrete.
- 3) The hardened concrete of joints in exposed work; joints in the middle of beams, girders, joists and slabs; and joints in work designed to contain liquids shall be dampened (but not saturated) then thoroughly covered with a coat of neat cement mortar of similar proportions to the mortar in the concrete. The mortar shall be as thick as possible on vertical surfaces and at least 1/2 in. thick on horizontal surfaces. The fresh concrete shall be placed before the mortar has attained its initial set.
- 4) Joints receiving an adhesive shall have been prepared and adhesive applied in accordance with the manufacturer's recommendations prior to placing of fresh concrete.
- 5) Surfaces of joints which have been obtained by the use of a chemical retarder shall have been prepared in accordance with the manufacturer's recommendations to placing of fresh concrete.

### 14. REPAIR OF SURFACES DEFECTS

#### a. General

All tie holes and all repairable defective areas shall be patched immediately after form removal.

#### b. Defective Areas

- 1) All honeycombs and other defective concrete shall be removed down to sound concrete. The area to be patched and an area at least 6 in. wide surrounding it shall be dampened to prevent absorption of water from the patching mortar. A bonding grout shall be prepared using a mix of approximately 1 part cement to 1 part fine sand passing a No. 30 mesh sieve, shall be mixed to the consistency of thick cream, and shall then be well brushed into the surface.
- 2) The patching mixture shall be made of the same material and of





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approximately the same proportions as used for the concrete, except that the coarse aggregate shall be omitted and the mortar shall consist of not more than 1 part cement to 2 1/2 parts sand by damp loose volume. White Portland cement shall be substituted for a part of the gray Portland cement on exposed concrete in order to produce a color matching the color of the surrounding concrete, as determined by a trial patch.

3) The quantity of mixing water shall be no more than necessary for handling and placing. The patching mortar shall be mixed in advance and allowed to stand with frequent manipulation with a trowel, without addition of water, until it has reached the stiffest consistency that will permit placing.

4) After surface water has evaporated from the area to be patched, the bond coat shall be well brushed into the surface. When the bond coat begins to lose the water sheen, the premixed patching mortar shall be applied. The mortar shall be thoroughly consolidated into place and struck off so as to leave the patch slightly higher than the surrounding surface. To permit initial shrinkage, it shall be left undisturbed for at least one (1) hour before being finally finished. The patched area shall be kept damp for seven (7) days. Metal tools shall not be used in finishing a patch in a formed wall which will be exposed.

### c. Tie Holes

After being cleaned and thoroughly dampened, the tie holes shall be filled solid with patching mortar, as above specified.

### d. Honeycomb and Minor Defects

Immediately upon removal of forms, any slight honeycombs and minor surface defects shall be patched with cement mortar composed of one (1) part cement to two (2) parts sand, flush with adjacent surface.

## 15. CURING AND PROTECTION

### a. Curing

1) General: Beginning immediately after placement, concrete shall be protected from premature drying and excessively hot temperature, and shall be maintained with minimal moisture loss at a relatively constant temperature for the period of time necessary for the hydration of the cement and proper hardening of the concrete.

2) Initial Curing: Initial curing shall immediately follow the



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finishing operation. Concrete shall be kept continuously moist overnight.  
One of the following materials or methods shall be used.

- a. Pounding or continuous sprinkling.
  - b. Absorptive mat or fabric kept continuously wet.
  - c. Sand or other covering kept continuously wet.
  - d. Vapor mist bath.
  - e. Curing compounds conforming to "Specifications for Liquid Membrane-Forming Compounds for Curing Concrete" (ASTM C309). Such compounds shall be applied in accordance with the recommendations of the manufacturer and shall not be used on any surfaces against which additional concrete or other cementitious finishing materials are to be bonded, nor on surfaces on which such curing is prohibited by the project specifications. Floor shall be water cured.
- 3) Final Curing: Immediately following the initial curing and before the concrete has dried, additional curing shall be accomplished by one of the following materials or methods:
- a. Continuing the method used in initial curing.
  - b. Waterproof paper conforming to "Specifications for Waterproof Paper for Curing Concrete" (ASTM C171).
  - c. Other moisture-retaining Coverings as approved.
- 4) Duration of Curing: The final curing shall continue for seven (7) days. If high-early-strength concrete has been used, the final curing shall continue for a total of three (3) days. Rapid drying shall be guarded against at all times during the curing period.
- 5) Formed surfaces: Steel forms heated by the sun and all wood forms in contact with the concrete during the final curing period shall be kept wet. If forms are to be removed during the curing period, one of the above curing materials or methods shall be employed immediately. Such curing shall be continued for the remainder of the curing period.
- b. Temperature
    - 1) Hot Weather: When necessary, arrangements for installation of windbreaks, shading, fog spraying, sprinkling, ponding, or wet covering of





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a light color shall be made in advance of placement, and such protective measures shall be taken as quickly as concrete hardening and finishing operations will allow.

2) Excessive temperature Changes: Change in temperature of the concrete shall be as uniform as possible and shall not exceed 5°F in any one (1) hr. Make proper temperature readings. Overall concrete temperature shall not exceed 135 °F.

### c. Protection From Mechanical Injury

During the curing period, the concrete shall be protected from damaging mechanical disturbances, particularly load stresses, heavy shock, and excessive vibration. All finished concrete surfaces shall be protected from damage caused by construction equipment, materials or methods, and by rain or running water. Self-supporting structures shall not be loaded in such a way as to overstress the concrete.

## 16. CONCRETE SLAB FINISHES

### A. Finish for flatwork in parking and drive areas.

1. Bullfloat immediately after screeding. Complete before any excess moisture or bleed water is present on surface (ACI 302.1R, Article 7.2.3).

2. After excess moisture or bleed water has disappeared and concrete has stiffened sufficiently to allow operation, give slab surface a coarse broom transverse scored texture by drawing fiber bristle broom across surface perpendicular to main traffic route. Texture shall be as accepted by Architect/Engineer from sample panels. Coordinate with Traffic Topping manufacturer and applicator as to acceptability.

3. Finishing Tolerance: ACI 301, Paragraph 11.9: Class B tolerance. In addition, floor surface shall not vary more than  $\pm 3/4$ " from elevation noted on Drawings.

4. Before installation of flatwork and after submittal, review, and approval of concrete mix design, Contractor shall fabricate one or more acceptable test panels simulating finishing techniques and final appearance to be expected and used on Project. Test panels shall be minimum of 15 ft. in area cast to thickness of typical parking and drive area wearing surface in Project. (Maximum thickness of test panels need not exceed 6 inches.) Test panels shall be cast from concrete supplied by similar concrete batch used for this project. Contractor shall finish panels following requirements of items 1, 2 and 3 above. Finished panels may be rejected by Architect/Engineer, in which case, Contractor shall repeat procedure until Architect/Engineer's acceptance is obtained. Accepted test panels shall be cured in accordance with specifications and





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may be incorporated into Project. Accepted test panels shall serve as basis for acceptance/rejection of final finished surfaces of all flatwork.

5. Finish all concrete slabs to proper elevations to insure that all surface water will drain freely to floor drains, and that no puddle areas exist. Contractor shall bear cost of any corrections to provide for this positive drainage requirement.

B. Scratch Finish: Apply scratch finish to monolithic slab surfaces to receive concrete floor topping or mortar setting beds for tile, portland cement terrazzo, and other bonded applied cementitious finish flooring material, and where indicated. After placing slabs, finish surface to tolerances of F(F) 15 (floor flatness) and F(L) 13 (floor levelness) measured according to ASTM E 1155. Slope surfaces uniformly to drains where required. After leveling, roughen surface before final set with stiff brushes, brooms, or rakes.

C. Float Finish: Apply float finish to monolithic slab surfaces to receive trowel finish and other finishes as specified; slab surfaces to be covered with membrane or elastic waterproofing, membrane or elastic roofing, or sand-bed terrazzo; and where indicated. After screeding, consolidating, and leveling concrete slabs, do not work surface until ready for floating. Begin floating, using float blades or float shoes only, when surface water has disappeared, or when concrete has stiffened sufficiently to permit operation of power-driven floats, or both. Consolidate surface with power-driven floats or by hand-floating if area is small or inaccessible to power units. Finish surfaces to tolerances of F(F) 18 (floor flatness) and F(L) 15 (floor levelness) measured according to ASTM E 1155. Cut down high spots and fill low spots. Uniformly slope surfaces to drains. Immediately after leveling, refloat surface to a uniform, smooth, granular texture.

D. Trowel Finish: Apply a trowel finish to monolithic slab surfaces exposed to view and slab surfaces to be covered with resilient flooring, carpet, ceramic or quarry tile, paint, or another thin film-finish coating system. After floating, begin first trowel-finish operation using a power-driven trowel. Begin final troweling when surface produces a ringing sound as trowel is moved over surface. Consolidate concrete surface by final hand-troweling operation, free of trowel marks, uniform in texture and appearance, and finish surfaces to tolerances of F(F) 20 (floor flatness) and F(L) 17 (floor levelness) measured according to ASTM E 1155. Grind smooth any surface defects that would telegraph through applied floor covering system.

Trowel and Fine Broom Finish: Where ceramic or quarry tile is to be installed with thin-set mortar, apply a trowel finish as specified, then immediately follow by slightly scarifying the surface with a fine broom.



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### 17. LEAN CONCRETE

#### a. Extent

Under this item the Contractor shall furnish all necessary materials and labor for placing lean concrete, such as for:

1- Shaping and finishing storm drainage sewer manhole inverts and bottom benches.

#### b. Materials

Lean concrete shall be mixed in the proportions of approximately one (1) part Portland cement, ten (10) parts sand, and five (5) parts gravel or crushed stone (3/4" maximum size), the actual proportions to be determined by trials for the best workable mix.

### 18. QUALITY CONTROL TESTING DURING CONSTRUCTION

A. General: The Owner will employ an approved testing agency to perform tests and to submit test reports. All field inspectors must be ACI Level I certified and lab technicians must be Level II certified.

B. Sampling and testing for quality control during concrete placement may include the following, as directed by Architect/Engineer.

1. Sampling Fresh Concrete: ASTM C 172, except modified for slump to comply with ASTM C 94.

a. Slump: ASTM C 143; one test at point of placement for each truck of concrete; reduce frequency of tests when test results seems to be consistent and acceptable.

b. Air Content: ASTM C 173, volumetric method for lightweight or normal weight concrete; ASTM C 231, pressure method for normal weight concrete; one for each truck of air-entrained concrete; reduce frequency of tests when test results seems to be consistent and acceptable.

c. Concrete Temperature: ASTM C 1064; one test hourly when air temperature is 80 deg F and above, and one test for each set of compressive-strength specimens.

d. Compression Test Specimen: ASTM C 31; one set of minimum eight cylinders, 6 field-cured and 2 lab-cured for P/T concrete, minimum four standard cylinders for others, for each compressive-strength test. Mold and store cylinders for laboratory-cured test specimens for 28-day strength testing. Field-cured cylinders shall be maintained at the site under conditions identical to concrete represented by them.





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e. Compressive-Strength Tests: ASTM C 39; one set for each day's pour exceeding

5 cu. yd. plus additional sets for each 50 cu. yd. more than the first 25 cu. yd. of each concrete class placed in any one day; one specimen tested prior to P/T tendon stressing or at 7 days as the project requires, two specimens tested at 28 days, and one specimen retained in reserve for later testing if required.

f. Proper protection of all cylinder per ASTM C 31 is the total responsibility of the contractor purchasing the tested concrete.

2. When frequency of testing will provide fewer than five strength tests for a given class of concrete, conduct testing, from at least five randomly selected batches or from each batch if fewer than five are used.

3. When total quantity of a given class of concrete is less than 50 cu. yd., Architect/Engineer may waive strength testing if adequate evidence of satisfactory strength is provided.

4. When strength of field-cured cylinders is less than 85 percent of companion laboratory-cured cylinders, evaluate current operations and provide corrective procedures for protecting and curing the in-place concrete.

5. Strength level of concrete will be considered satisfactory if averages of sets of three consecutive strength test results equal or exceed specified compressive strength and no individual strength test result falls below specified compressive strength by more than 500 psi.

C. Test results of concrete sampled according to ASTM C 31 will be reported in writing to Architect/Engineer, Structural Engineer, ready-mix producer, and Contractor within 24 hours after tests. Reports of compressive strength tests shall contain the Project identification name and number, date of concrete placement, name of concrete testing service, concrete type and class, location of concrete batch in structure, design compressive strength at 28 days, concrete mix proportions and materials, compressive breaking strength, and type of break for both 7-day tests and 28-day tests.

D. Nondestructive Testing: Impact hammer, sonoscope, or other nondestructive device may be permitted but shall not be used as the sole basis for acceptance or rejection.

E. Additional Tests: The testing agency will make additional tests of in-place concrete when test results indicate specified concrete strengths and other characteristics have not been attained in the structure, as directed by Architect/Engineer. Testing agency may conduct tests to determine adequacy of concrete by cored cylinders complying with ASTM C 42, or by other methods as directed.





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F. Acceptance of completed concrete work shall be per ACT 301, Chapter 18.

END OF SECTION 03300

### SECTION 03370 - GROUTING

#### 1. GENERAL

- a. All provisions of Division 1, General Requirements, shall govern this section.
- b. Grout for use under base or bearing plates, equipment and elsewhere as indicated on the drawings, shall be pre-mixed, non-metallic, non-shrinking, non-staining, non-gas forming and non-corrosive such as Five Star, as manufactured by the U.S. Grout Corporation; Supreme, as manufactured by the Upco Company; or Imperial, as manufactured by Castle Chemical Corporation; or approved equal.
- c. Minimum strength of grout, 2,500 psi at 1 day, 4,500 psi at 3 days, and 7,000 psi at 28 days

#### 2. EXECUTION

- a. Mixing - Grout shall be mixed in accordance with the manufacturer's specifications.
- b. Leveling and Grouting Steel Bearing Plates - Base plates and equipment to be grouted shall be placed and leveled on shims or leveling nuts and the bolts drawn tight. The space to be occupied by the grout shall be thoroughly cleaned, removing all dirt, oil, grease and loose material. The surface of the concrete shall be saturated with water but no free water shall remain on the surface when the grout is placed. The entire space between the top of the concrete and the bottom of the plates shall be filled with grout with no voids remaining. Wedges and shims shall be removed after grout has acquired its initial set. All voids shall be filled with additional grout. All exposed edges shall be cut off at a 1(H):1(V) slope unless otherwise noted on the drawings.



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- c. Manufacturers and Products:
  - a. Master Builders Co., Cleveland, OH; Master Flow 928.
  - b. Five Star Products Inc., Fairfield, CT; Five Star 100.
  - c. Euclid Chemical Co., Cleveland, OH; Hi Flow Grout.
  - d. HILTI HVA Adhesive Anchor System, Hilti Caribe Inc.

END OF SECTION 03370

### SECTION 05100 - STRUCTURAL STEEL FRAMING

#### 1. GENERAL

a. Work Included: Structural steel required for this work is indicated on the drawings and includes, but is not necessarily limited to columns, beams, structural steel accessories, girders and bases.

b. Related work described elsewhere:

- 1) Metal Fabricators - Section 05500

#### 2. QUALITY ASSURANCE

a. Qualifications of suppliers and personnel:

All welding shall be performed by operators who have been recently qualified as prescribed in "Qualification Procedure" of the American Welding Society (except for welds which do not carry calculated stress).

b. Codes and Standards:

In addition to complying with all pertinent codes and regulations, comply with:

- 1) "Specifications for the Design, Fabrications and Erection of Structural Steel for Buildings" of the American Institute of Steel Construction.
- 2) "Codes for Welding in Building Construction" of the American Welding Society.
- 3) American Petroleum Institute

c. Conflicting requirements:





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In the event of conflict between pertinent codes and regulations and the requirements of the referenced standards or these specifications, the provisions of the more stringent shall govern.

### 3. SUBMITTALS

#### a. Shop Drawings:

- 1) Shop drawings shall be submitted to the Architect/Engineers for approval. Material fabricated or delivered to the site before the approved shop drawings have been returned to the Contractor shall be subject to rejection by the Architect/Engineers.
- 2) Show all shop and erections details including cuts, copes, connections, holes, threaded fasteners, and welds.
- 3) Show all welds, both shop and field, by the currently recommended symbols of the American Welding Society.
- 4) Steel fabricator shall submit calculations for moment connections proposed that are different to those indicated on drawings. In such case calculations shall be signed and sealed by a structural engineer licensed in the Commonwealth of Puerto Rico.

#### b. Proofs of compliance:

The Contractor shall furnish, without extra cost to the Owner two certified copies of all mill reports covering the chemical and physical properties of the steel used in the work under these specifications.

### 4. PRODUCT HANDLING

- a. Protection: Use all means necessary to protect structural steel before, during and after installation and to protect the installed work and materials of all other trades.
- b. Replacements: In the event of damage, immediately make all repairs and replacements necessary to the approval of the Architect/Engineer and at no additional cost to the Owner.

### 5. PRODUCTS





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### a. Structural Steel

- 1) All steel shapes and plates shall meet the requirements of ASTM A-36, A-572 and A-441 as noted on drawings.
- 2) All rectangular tubing shall meet the requirements of ASTM A500 Grade B or have equal yield, ultimate and weldability properties.

### b. Bolts and Nuts

#### 1) High strength bolts:

- a) All high strength bolts shall meet the requirements of ASTM A-325.
- b) Use high strength friction bolts for all bolted connections unless otherwise indicated on the drawings.
- c) Make bolt holes 1/16 inch larger the nominal bolt diameter.
- d) All bolts shall have threads excluded from the shear plane.

#### 2) Machine bolts and anchor bolts:

All machine bolts and anchor bolts shall meet the requirements of ASTM A-36.

### 6. PAINT

Shop Primer SSPC-Paint 2 One Coat, (2) mils. film thickness.

### 7. OTHER MATERIALS

All other materials not specifically described but required for a complete and proper installation of structural steel, shall be new, free from rust, first quality of their respective kinds, and subject to the approval of the Architect/Engineer.

### 8. EXECUTION

#### a. Surface Conditions

##### 1) Inspection

- a) Prior to installation of the work of this section, carefully inspect



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the installed work of all other trades and verify that all such work is complete to the point where this installation may properly commence.

b) Verify that structural steel may be fabricated and erected in strict accordance with the original design, the approved shop drawings, and the referenced standards.

### b. Discrepancies

1) In the event of discrepancy, immediately notify the Owner Resident Project Manager.

2) Do not proceed with fabrication or installation in area of discrepancy until all such discrepancies have been fully resolved.

## 9. FABRICATION

### a. General

Fabricate all structural steel in accordance with the approved shop drawings and the referenced standards.

1) The design of members and connections for any portions of the structure not indicated on the Contract Drawings shall be completed by the fabricator. Such design shall conform to the requirements of the current issue of the specification for the design, fabrication and erection of structural steel for buildings of the American Institute of Steel Construction. The Design Drawings shall be submitted to the Architect/Engineers for approval before any material is fabricated. Subsequent to approval by the Architect/Engineers, no changes or modification shall be made without his consent.

2) Connections shall be as shown on the drawings. When details are not shown, the connections shall conform to the requirements for AISC Standard Connections. One side or other types of eccentric connections will not be permitted unless shown in detail on the drawings. Holes shall not be made or enlarged by burning, nor will the burning of unpaired holes in the shop or field be acceptable.

### b. Shop cleaning and priming:

1) Provide surface preparation SSPC-SP2, hand tool cleaning, for all structural steel to assure thorough and complete removal of all loose rust, loose mill scale, loose paint, dirt and any other foreign matter. Oil and grease shall be removed with solvents.





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2) Request and do not proceed with shop painting until Architect/Engineer's or Owner's testing agency inspection and approval of steel shapes surface preparation.

3) Shop paint all structural steel, except:

- a) Steel to be encased in concrete.
- b) Surfaces to be field welded.
- c) Contact surface to be high strength bolted.

### 10. WELDING

#### a. General

- 1) Filler metal for welding: mild steel electrodes conforming to AWS A 5.1, AWS-ASTM Classification E-70XX.
- 2) For details of joints, comply with requirements for AWS joints accepted without qualification tests.

#### b. Types of welds

Unless otherwise noted:

- 1) Make all fillet welds 3/16 inch minimum.
- 2) Make all butt welds full penetration welds, using back-up or chip and back-weld.
- 3) Welds not required being full penetration welds are specifically noted on the Drawings.

### 10. ERECTION

#### a. General

Erect all structural steel in strict accordance with the drawings, the approved shop drawings, and all pertinent regulations and standards.

#### b. Tolerances

Align all structural steel straight, plumb, and level within a tolerance





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of one in 500.

c. Touch-up

After erection is complete, touch-up all shop priming coats damaged during transportation and erection, and prime all field welds, using the priming paint specified for shop priming.

d. Inspection and Testing

1) Owner shall engage an independent testing and inspection consultant to inspect high-strength bolted connections, welded connection and all moment connections and to perform test and prepare test reports.

a) Consultant shall conduct and interpret tests and state in each report whether test specimens comply with requirements, and specifically state any deviations there from.

b) Provide access for testing consultant to places where structural steel work is being fabricated or produced so that required inspection and testing can be accomplished.

c) Testing consultant may inspect structural steel at shop before shipment; however, Owner's Representative reserves the right, at any time before final acceptance, to reject material not complying with specified requirements.

2) Correct or replace deficiencies in structural steel work which inspections and laboratory test reports have indicated to be not in compliance with requirements at no cost to the Owner.

Perform additional tests, at Contractor's expense, as may be necessary to reconfirm any noncompliance of original work, and as maybe necessary to show compliance of corrected work.

3) Shop Bolted Connections: Inspect in accordance with AISC specifications. Inspect all moment connections.

4) Shop Welding: Inspect and test during fabrication of structural steel assemblies, as follows:

a) Certify welders and conduct inspections and tests as required. Record types and locations of defects found in work. Record work required and performed to correct deficiencies.

b) Perform visual inspection of all welds.

c) Perform tests of welds as follows. Inspection type listed is to be used at Contractor's option.



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1. Ultrasonic Inspection: ASTM E 164. Inspect 100% of all full penetration welds.

All nondestructive inspection of welds shall be in accordance with ANSI/AWS B1.10-86 "Guide for the Nondestructive Inspection of Welds."

5) Field Bolted Connections: Inspect in accordance with AISC specifications using calibrated wrench method. Inspect all bolts of all moment connection and 10% of all other bolts. Inspect a minimum of 2 bolts per connection.

6) Field Welding: Inspect and test during erection of structural steel as follows:

- a) Certify welders and conduct inspection and tests as required. Record types and locations of defects found in work. Record work required and performed to correct deficiencies.
- b) Perform visual inspection of all welds.
- c) Perform tests of welds as follows:

1. Ultrasonic Inspection: ASTM E 164. Inspect 100% of all full penetration welds.

All nondestructive inspection of welds shall be in accordance with ANSI/AWS B1.10-86 "Guide for the Nondestructive Inspection of Welds."

END OF SECTION 05100

SECTION 05500 - METAL FABRICATIONS AND CASTINGS

ARTICLE 50. PART 1 GENERAL  
50.21 REFERENCES

A. The following is a list of standards which may be referenced in this Section:

1. American Institute of Steel Construction (AISC):





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- a. Specification for Structural Steel Buildings-Allowable Stress Design and Plastic Design.
  - b. Allowable Stress Design Specification for Structural Joints using ASTM A325 or A490 Bolts.
  - c. Code of Standard Practice for Steel Buildings and Bridges.
  - d. AISC Quality Certification Program.
2. American National Standards Institute (ANSI):
- a. A14.3, Ladders, Fixed, Safety Requirements.
  - b. B1.1, Unified Inch Screw Threads (UN and UNR Thread Form).
3. American Society for Testing and Materials (ASTM):
- a. A36 REV B, Standard Specification for Structural Steel.
  - b. A48, Standard Specification for Gray Iron Castings.
  - c. A53, Standard Specification for Pipe, Steel, Black and Hot-Dipped, Zinc-Coated Welded and Seamless.
  - d. A123, Standard Specification for Zinc (Hot-Dip Galvanized) Coatings on Iron and Steel Products.
  - e. A153, Standard Specification for Zinc Coating (Hot-Dip) on Iron and Steel Hardware.
  - f. A167, Standard Specification for Stainless and Heat-Resisting Chromium-Nickel Steel Plate, Sheet, and Strip.
  - g. A193, Standard Specification for Alloy-Steel and Stainless Steel Bolting Materials for High-Temperature Service.
  - h. A194, Standard Specification for Carbon and Alloy Steel Nuts for Bolts for High-Pressure and High-Temperature Service.
  - i. A276, Standard Specification for Stainless and Heat-Resisting Steel Bars and Shapes.
  - j. A307, Standard Specification for Carbon Steel Bolts and Studs, 60,000 PSI Tensile Strength.
  - k. A325, Standard Specification for High-Strength Bolts for Structural Steel Joints.
  - l. A385, Standard Practice for Providing High-Quality Zinc Coatings (Hot-Dip).
  - m. A395, Standard Specification for Ferritic Ductile Iron Pressure-Retaining Castings for Use at Elevated Temperatures.
  - n. A489, Standard Specification for Carbon Steel Eyebolts.
  - o. A500, Standard Specification for Cold-Formed Welded and Seamless Carbon Steel Structural Tubing in Rounds and Shapes.
  - p. A501, Standard Specification for Hot-Formed Welded and Seamless Carbon Steel Structural Tubing.
  - q. A525, Standard Specification for General Requirements for Steel Sheet, Zinc-Coated (Galvanized) by the Hot-Dip Process.





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- r. B209, Standard Specification for Aluminum and Aluminum-Alloy Sheet and Plate.
- s. B308, Standard Specification for Aluminum-Alloy 6061 T6 Standard Structural Shapes.
- t. B429, Standard Specification for Aluminum-Alloy Extruded Structural Pipe and Tube.
- u. C881, Standard Specification for Epoxy Resin-Base Bonding Systems for Concrete.
- v. D648 E2, Standard Test Method for Deflection Temperature of Plastics Under Flexural Load.
- w. D695, Standard Test Method for Compressive Properties of Rigid Plastics.
- x. D746, Standard Test Method for Brittleness Temperature of Plastics and Elastomers by Impact.
- y. D1056, Standard Specification for Flexible Cellular Materials-Sponge or Expanded Rubber.
- z. D1505, Standard Test Method for Density of Plastics by the Density-Gradient Technique.
- aa. D1525, Standard Test Method for Vicat Softening Temperature of Plastics.
- bb. F436, Standard Specification for Hardened Steel Washers.
- cc. F468, Standard Specification for Nonferrous Nuts for General Use.
- dd. F844, Standard Specification for Washers, Steel, Plain (Flat), Unhardened for General Use.

#### 4. American Welding Society (AWS):

- a. AWS D1.1, Structural Welding Code-Steel.
- b. AWS D1.2, Structural Welding Code-Aluminum.

#### 5. Federal Specifications (FS):

- a. QQ F 461C(1), Floor Plate, Steel, Rolled.
- b. RR S 001301, Safety Equipment, Climbing.

#### 6. The Aluminum Association, Inc. (AA): 30, Specifications for Aluminum Structures, Fifth Edition.

##### 50.22 DEFINITIONS

- A. Submerged: A location at or below a point 1 foot 6 inches above maximum water surface elevation in water-holding basins and channels.

##### 50.23 SUBMITTALS

#### A. Shop Drawings:

- 1. Metal fabrications, including welding and fastener information.
- 2. Specific instructions for concrete anchor installation, including drilled hole size, preparation, placement, procedures, and instructions



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for safe handling of anchoring systems.

B. Samples: Color samples of abrasive stair nosings.

C. Quality Control Submittals:

1. Adhesive Anchors:

a. Manufacturer's product description and installation procedures.

b. Current test data or ICBO evaluation report.

c. Adhesive Anchor Installer Certification.

2. Ladders: Results of load tests.

3. Welder operator qualifications.

4. Welding inspector credentials.

### 50.24 QUALITY ASSURANCE

A. Qualifications:

1. Adhesive Anchor Installers: Trained and certified by manufacturer.

2. Welder/Welding Operator: In accordance with AWS D1.1 (Annex E), AWS B2.1 (App. A), or ASME BPVC SEC IX (Form QW 484).

3. Welding Inspector: Certified in accordance with AWS QC1, and having prior experience with the welding codes specified.

4. Weld Testing Agency: Personnel performing tests shall be NDT Level II Certified in accordance with ASNT SNT TC 1A.]

B. Regulatory Requirements:

1. Ladders, Load Test:

a. Test assemblies with specified loads.

b. Cycle load 200,000 times to demonstrate fatigue resistance, then check for defects.

### 50.25 DELIVERY, STORAGE, AND HANDLING

A. Preparation for Shipment:

1. Insofar as practical, factory assemble items specified herein.

2. Package and clearly tag parts and assemblies that are of necessity shipped unassembled, in a manner that will protect materials from damage, and facilitate identification and field assembly.

B. Storage of Adhesive:

1. Store adhesive cartridges on pallets or shelving in a covered storage area.

2. Control storage temperature in accordance with manufacturer's written instructions.

3. Dispose of cartridges if shelf life has expired.

### 50.26 SPECIAL GUARANTEE

A. Manufacturer's extended guarantee or warranty, with OWNER named as beneficiary, in writing, as special guarantee. Special guarantee shall provide for correction, or at the option of the OWNER, removal and replacement of sidewalk doors found defective during a period of 5 years after the date of Substantial Completion. Duties and obligations for correction or removal and replacement of defective Work as specified in





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paragraph 13.12 of the General Conditions.

### ARTICLE 51. PART 2 PRODUCTS

#### 51.21 GENERAL

A. Unless otherwise indicated, meet the following requirements:

Item ASTM Reference

- |     |   |     |     |  |
|-----|---|-----|-----|--|
| 1.  | Steel Shapes and Plates                 | 2.  | 3.  | A36 REV B  |
| 4.  | Steel Pipe                              | 5.  | 6.  | A501 or A53, Type E or S, Grade B                        |
| 7.  | Structural Steel Tubing                 | 8.  | 9.  | A500, Grade B  |
| 10. | Stainless Steel:                        |     |     |  |
| 11. | Bars                                    | 12. | 13. | A276, AISI Type 316                                      |
| 14. | Shapes                                  | 15. | 16. | A276, AISI Type 304                                      |
| 17. | Steel Plate, Sheet, and Strip           | 18. | 19. | A167, AISI Type 316                                      |
| 20. | Bolts and Threaded Rods                 | 21. | 22. | A193, AISI Type 316, B8MN, B8M2, or B8M3                 |
| 23. | Nuts                                    | 24. | 25. | A194, AISI Type 316, B8MN, B8M2, or B8M3                 |
| 26. | Steel Bolts and Nuts:                   |     |     |  |
| 27. | Carbon Steel                            | 28. | 29. | A307 or A36 REV B  |
| 30. | High-Strength                           | 31. | 32. | A325, Type 1   |
| 33. | Galvanized Steel Bolts and Nuts         | 34. | 35. | A307 or A36 REV B, with A153 Zinc Coating, and ANSI B1.1 |
| 36. | Eyebolts                                | 37. | 38. | A489   |
| 39. | Threaded Rods                           | 40. | 41. | A36 REV B  |
| 42. | Flat Washers (Unhardened)               | 43. | 44. | F844 90; use A153 for Zinc Coating                       |
| 45. | Flat Washers (Hardened)                 | 46. | 47. | F436   |
| 48. | Aluminum, Structural Shapes, and Plates | 49. | 50. | B209 and B308, Alloy 6061 T6                             |
| 51. | Aluminum Bolts and Nuts                 | 52. | 53. | F468, Alloy 2024 T4                                      |
| 54. | Cast Iron                               | 55. | 56. | A48, Class 35  |

#### 51.22 ANCHOR BOLTS/SLEEVES

A. Anchor Bolts: As shown in FASTENER SCHEDULE at the end of this section and as specified in various equipment sections.

B. Anchor Bolt Sleeves:

1. Plastic:

- a. Single unit construction with deformed sleeve.
- b. The top of the sleeve shall be self-threading to provide adjustment of the threaded anchor bolt projection.
- c. Material Requirements:
  - i. Plastic: High density polyethylene.
  - ii. Density: ASTM D1505.
  - iii. Vicat Softening Point: ASTM D1525.
  - iv. Brittleness Temperature: ASTM D746.





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d. Manufacturer: Sinco West, Simi Valley, CA.

2. Fabricated Steel: ASTM A36 REV B.

### 51.23 PIPE SLEEVES

A. ASTM A53, Schedule 40 steel pipe sleeves with continuously welded 3/16 inch thick seep ring of outside diameter 3 inches greater than sleeve outside diameter. Galvanize in accordance with ASTM A123.

### 51.24 CONCRETE AND MASONRY ANCHORS

#### A. General:

1. AISI Type 316 stainless, galvanized, or zinc-coated steel. Refer to FASTENER SCHEDULE at the end of this section.

2. Current evaluation and acceptance reports by ICBO or other similar code organization.

3. Acceptable for use in potable water structures by EPA and local health agencies or NSF.

#### B. Wedge Anchors:

##### 1. Manufacturers and Products:

a. ITW Ramset/Red Head, Wood Dale, IL; Trubolt Wedge Anchor.

b. Hilti, Inc., Tulsa, OK; Kwik Bolt II Stud Anchor.

c. The Rawlplug Company, New Rochelle, NY; Rawl-Stud Anchor.

d. Wej It Corp., Tulsa, OK; ANKRtite Wedge Anchor.

#### C. Expansion Anchors:

1. Self-drilling anchors, snap-off or flush type, zinc-coated.

2. Nondrilling Anchors; Flush type for use with zinc-coated or stainless steel bolt, or stud type with projecting threaded stud.

##### 3. Manufacturers and Products:

a. ITW Ramset/Red Head, Wood Dale, IL; Multi-Set II Drop-In and Self Drill Anchors.

b. Hilti, Inc., Tulsa, OK; Hilti HDI Drop-In Anchor.

c. The Rawlplug Company, New Rochelle, NY; Rawl Steel Drop-In and Rawl Saber-Tooth Anchors.

#### D. Sleeve Anchors:

##### 1. Manufacturers and Products:

a. ITW Ramset/Red Head, Wood Dale, IL; Dynabolt Hex Nut Sleeve Anchor.

b. The Rawlplug Company, New Rochelle, NY; Hex Head Rawl-Bolt Anchor.

c. Wej It Corp., Tulsa, OK; Wej It Sleeve Anchor.

#### E. Adhesive Anchors:

##### 1. Anchor Rod:



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- a. Stainless steel threaded rod, diameter as shown.
- b. Length as required to provide minimum depth of embedment.
- c. Clean and free of grease, oil, or other deleterious material.
2. Adhesive:
  - a. ASTM C881.
  - b. Two-component, insensitive to moisture, designed to be used in adverse freeze/thaw environments, with gray color after mixing.
  - c. Cure Temperature, Pot Life, and Workability: Compatible for intended use and environmental conditions.
  - d. Nonsag, with selected viscosity based on installation temperature and overhead application where applicable.
3. Packaging:
  - a. Disposable, self-contained cartridge system capable of dispensing both components in the proper mixing ratio and fitting into a manually or pneumatically operated caulking gun.
  - b. Cartridge Markings: Include manufacturer's name, product name, material type, batch or serial number, and adhesive expiration date.
4. Manufacturers and Products:
  - a. Adhesives Technology Corp., Kent, WA; Anchor-It Fastening Systems, HS 200 Epoxy.
  - b. ITW Ramset/Red Head, Wood Dale, IL; Epcon Ceramic 6 Epoxy Anchor System.
  - c. Covert Operations Inc., Signal Hill, CA; CIA-Gel 7000 Epoxy Anchors.
  - d. The Rawlplug Co., Inc., New Rochelle, NY; Foil Fast Epoxy Injection Gel System.
  - e. Hilti, Inc., Tulsa, OK; HIT Doweling Anchor System (HIT C 100).
  - f. Ackerman Johnson Fastening Systems, Inc., Addison, IL; Poly All PAC 24 Epoxy.
  - g. Unitex, Kansas City, MO; Pro Poxy 300.

### 51.25 FABRICATION

- A. General:
  1. Finish exposed surfaces smooth, sharp, and to well-defined lines.
  2. Furnish necessary rabbets, lugs, and brackets so work can be assembled in neat, substantial manner.
  3. Conceal fastenings where practical; where exposed, flush countersink.
  4. Drill metalwork and countersink holes as required for attaching hardware or other materials.
  5. Round sharp edges to small uniform radius. Grind burrs, jagged edges, and surface defects smooth.
  6. Material Thinner than 1/8 Inch: Either galvanize before fabrication





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in accordance with ASTM A525, Coating Designation G210, or after fabrication in accordance with ASTM A123, except the weight of zinc coating shall average minimum 1.2 ounces per square foot of actual surface area with no individual specimen having a weight of less than 1 ounce per square foot.

B. Materials: Use steel shapes unless otherwise noted.

C. Fabrication:

1. Fit and assemble in largest practical sections for delivery to site.
2. Fabricate as shown on Drawings and in accordance with ASTM A385.

3. Welding:

a. Weld connections and grind exposed welds smooth. When required to be watertight, make welds continuous.

b. Steel:

i. Meet requirements of AWS D1.1 for techniques of welding employed, appearance, quality of welds made, and the methods of correcting defective work.

ii. Meet visual acceptance standards of AWS D1.1, paragraph 8.15.1.

iii. Complete welding before applying finish.

c. Aluminum: Meet requirements of AWS D1.2.]

4. Use fasteners as shown or scheduled.

5. Grind cut edges smooth and straight.

D. Finish:

1. ASTM A123 hot-dip galvanize after fabrication, Shop prime with rust-inhibitive primer, PAINTING PROTECTIVE COATINGS, unless otherwise noted.

2. Galvanize components of bolted assemblies separately before assembly. Galvanizing of tapped holes is not required.

3. Except for inlet grates not otherwise required to be welded, completely seal edges of tightly contacting surfaces, where galvanizing is required, by welding before galvanizing.

E. Watertight Seal: Where required or shown, furnish rubatex gaskets of a type that is satisfactory for use in tank structures that Cover full bearing surfaces.

F. Fitting: Where movement of fabrications is required or shown, cut, fit, and align items for smooth operation. Make corners square and opposite sides parallel.

G. Accessories: Furnish as required for a complete installation. Fasten by welding or with stainless steel bolts or screws.

H. Aluminum:

1. Fabricate in accordance with AA 30 and manufacturers' recommendations as approved.

2. Grind smooth sheared edges exposed in finished work.





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### ARTICLE 52. PART 3 EXECUTION

#### 52.21 INSTALLATION OF METAL FABRICATIONS

##### A. General:

1. Install metal fabrications plumb or level, accurately fitted, free from distortion or defects.
2. Install rigid, substantial, and neat in appearance.
3. Erect steel in accordance with AISC Code of Standard Practice for Steel Buildings and Bridges.
4. Install manufactured products in accordance with manufacturer's recommendations.
5. Allow for erection loads, and for sufficient temporary bracing to maintain true alignment until completion of erection and installation of permanent attachments.
6. Field weld components indicated.
7. Perform field welding in accordance with AWS D1.1.
8. Obtain ENGINEER approval prior to site cutting or making adjustments not scheduled.
9. After erection, apply prime or galvanize coating to welds, abrasions, and surfaces not in contact with concrete.

##### B. Erection Tolerances:

1. Maximum Variation from Plumb: 1/4 inch per story, noncumulative.
2. Maximum Offset from True Alignment: 1/4 inch.

##### C. Aluminum:

1. Erection: In accordance with AA 30.
2. Do not remove mill markings from concealed surfaces.
3. Remove inked or painted identification marks on exposed surfaces not otherwise coated after installed material has been inspected and approved.

##### D. Pipe Sleeves:

1. Provide where pipes pass through concrete or masonry.
2. Holes drilled with a rotary drill may be provided in lieu of sleeves in existing walls.
3. Provide a center flange for water stoppage on sleeves in exterior or water-bearing walls.
4. Provide a rubber caulking sealant or a modular mechanical unit to form a watertight seal in the annular space between pipes and sleeves.

#### 52.22 ANCHOR BOLTS

- A. Accurately locate and hold anchor bolts in place with templates at the time concrete is placed.
- B. Use sleeves for location adjustment and provide two nuts and one washer per bolt of same material as bolt.
- C. Minimum Bolt Size: 1/2 inch diameter by 12 inches long, unless otherwise shown.
- D. Anchor bolts shall be hot dip galvanized.



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### 52.23 CONCRETE AND MASONRY ANCHORS

- A. Begin installation only after concrete or masonry to receive anchors has attained design strength.
- B. Do not install an anchor closer than six times its diameter to an edge of concrete or masonry or closer than twelve diameters to another anchor, unless shown otherwise.
- C. Install in accordance with manufacturer's instructions.
- D. Use only drill type and diameter recommended by anchor manufacturer. Clean hole of debris and dust with brush and compressed air.
- E. Do not install when temperature of concrete is below 40 degrees F or above 100 degrees F.

### 52.24 ACCESS COVERS

- A. Install in accordance with manufacturer's instructions.
- B. Accurately position prior to placing concrete, such that covers are flush with floor surface.
- C. Protect from damage resulting from concrete placement. Thoroughly clean exposed surfaces of concrete spillage to obtain a clean, uniform appearance.

### 52.25 ELECTROLYTIC PROTECTION

- A. Aluminum:
  1. Where in contact with dissimilar metals, or embedded in masonry or concrete, protect surfaces.
  2. Allow coating to dry before installation of the material.
  3. Protect coated surfaces during installation.
  4. Should coating become marred, prepare and touch up in accordance with paint manufacturer's written instructions.
- B. Titanium: Where titanium equipment is in contact with concrete or dissimilar metals, provide full-face neoprene insulation gasket, 3/32 inch minimum thickness and 70 durometer hardness.
- C. Painted Galvanized Surfaces: Consult Engineer of record prior touch up, and submit touch up paint to be used.

### 52.26 FASTENER SCHEDULE

- A. Provide fasteners as follows:

Service Use  
and Location  
Product  
Remarks

Anchor Bolts Cast Into Concrete for Equipment Bases

- |  |  |     |
|--|--|-----|
| 57. Dry Areas  | 58. Stainless steel bolts, unless otherwise specified with equipment                         | 59. |
| 60. Submerged or Wet Areas   | 61. Stainless steel bolts with fusion bond coating unless otherwise specified with equipment | 62. |
| 63. Anchor Bolts Cast Into Concrete for Metal Fabrications and Structural Components |  |     |





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64. Dry or Protected Areas      65. Stainless steel bolts      66.  
67. Exterior, Wet, Washdown, and Chemical Handling Areas      68.  
Stainless steel bolts with fusion bond coating      69.  
70. Anchors for Metal Components to Concrete (e.g., Electrical Panels  
and Equipment)  
71. Dry Areas      72. Zinc-coated or stainless steel wedge or  
expansion anchors      73.  
74. Wet and Damp Areas      75. Adhesive stainless steel anchors  
76.  
77. Submerged or Buried in Earth      78. Adhesive stainless steel  
anchors      79.  
80. Anchors for Grout-Filled Concrete Masonry Units  
81. Exterior and Interior      82. Galvanized steel headed anchor  
bolts, zinc-coated or stainless steel sleeve anchors, or stainless steel  
adhesive anchors      83.  
84. Connections for Structural Steel Components  
85. Exterior and Interior      86. High-strength steel bolts      87.  
See Section 05100, STRUCTURAL STEEL  
88. Connections for Steel Fabrications and Wood Components  
89. Exterior and Interior      90. Zinc-coated steel bolts      91.  
92. Connections of Aluminum Components  
93. Exterior and Interior      94. Aluminum bolts      95.  
96. All Others  
97. Exterior and Interior      98. Stainless steel fasteners      99.

B. Antiseizing Lubricant: Use on all stainless steel threads.

C. Do not use adhesive anchors to support fire-resistive construction  
or where ambient temperature will exceed 120 degrees F.

END OF SECTION 05500

### WITNESSETH

THEREFORE, IN CONSIDERATION of the mutual covenants hereinafter stated,  
the Parties agree themselves, their personal representatives, successors,  
and assignees, as follows:

### TERMS AND CONDITIONS

#### ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all work, labor, materials,  
tools, municipal taxes, equipment, enclosures, inspection, supervision,  
all necessary services, job administration, municipal and service taxes,





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and superintendence, required for the Structural Repair Works to the Condensate Water Tank 5 at Costa Sur Power Plant. In accordance with the specifications stated in herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

### Article 2. Definitions

Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

- 2.1 Contracting Officer - shall mean the Chief Executive Officer/Executive Director of PREPA, acting directly or through his properly authorized agents.
- 2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):
  - a. Contract
  - b. Terms and Conditions
  - c. Special Conditions and Technical Specifications
  - d. Instructions to Proponents
  - e. Questions and Answers during the procurement process
  - f. Contractor's Proposal
  - g. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.

In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.

- 2.3 Completion Date - date in which all tasks and project scope had completed.
- 2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.
- 2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.
- 2.6 Final Acceptance - shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.
- 2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving authority to begin the Work or separate portions of the Work, as established in this Contract.
- 2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.





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2.9 Special Conditions - are all the specific requirements, regulations and/or directions covering particular conditions of the project.

2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.

2.11 Environmental Compliance Officer - PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.

2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

### ARTICLE 3: Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed \$309,468.00. PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal shall constitute full compensation Structural Repair Works to the Condensate Water Tank 5 at Costa Sur Power Plant, including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.

The invoices submitted by Contractor must be approved by the Engineer, and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents. PREPA reserves the right to deduct or withhold any payment under this





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(or such shorter or longer period of time as may be reasonably required as agree by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to, when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

### ARTICLE 8. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and storage their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of the entire services requires the use of PREPA's own forces or by other contractors, 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.

### ARTICLE 9: Inspection

#### 9.1.1 Periodic Inspection

All material and workmanship (if not otherwise designated by the





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Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers. Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

### 9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially





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completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.

### ARTICLE 10. Submittals

The Engineer shall evaluate submittals within three (3) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith.

Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

### ARTICLE 11: Superintendence by the Contractor

Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third





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parties for any acts or omissions.

### ARTICLE 12: Sanitary Facilities

The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

### ARTICLE 13: Access to Work

The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

### ARTICLE 14: Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event. Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

### ARTICLE 15: Penalties for Delays

If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of \$3,350.00 for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.





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In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only to appeal by the Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities

#### 16.1 Civil Responsibility

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

#### 16.2 Indirect or Consequential Damages

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

#### 16.3. Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.

#### 16.4. Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper,





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reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.

### 16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

### 16.6. Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA. If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.

## ARTICLE 17: Independent 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 not be considered as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

## ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party:

(i) becomes insolvent, or (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy. If PREPA terminates the Contract, PREPA shall pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by





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PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.

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.

### ARTICLE 19: 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:

#### 19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their





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own behalf. Contractor shall furnish to PREPA 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.

### 19.2 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

### 19.3 Commercial Automobile Liability Insurance:

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

### 19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

#### Requirements Under the Policies:

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

#### a. As Additional Insured:

Puerto Rico Electric Power Authority  
Risk Management Office  
PO Box 364267

San Juan, PR 00936-4267

b. A 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 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."

#### 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 Price, with good and sufficient surety satisfactory to PREPA guaranteeing that the Contractor will well and faithfully perform the contract work.





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b. A Payment Bond in the amount of one hundred percent (100%) of the Contract Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

### Furnishing of Policies:

All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20: Permits and Licenses

The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.

### ARTICLE 21: Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

### ARTICLE 22. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, 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





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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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.

### ARTICLE 23: Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests. If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it





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does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.  
**ARTICLE 24: Claims for Labor and Materials**

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

**ARTICLE 25: Other Contracts**

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

**ARTICLE 26: Minimum Wage Rates**

Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

**ARTICLE 27: Unfair Labor Practice**

In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.

Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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.





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### ARTICLE 28: Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions.

Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) 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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.

If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22 Transfer of Funds, of this Contract, shall apply.

### ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

### ARTICLE 30: Novation

The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

### ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or 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 authority,





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information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.

### ARTICLE 32: Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

### ARTICLE 34: Disputes

All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within 10 days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within 10 days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages. In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.

### ARTICLE 35: Laws to be Observed

Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the





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Wok, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of 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 16, Liabilities, of this Contract. All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

ARTICLE 36: Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.

ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39: Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual





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orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

### ARTICLE 40: Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.

### ARTICLE 41: Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention:

PREPA's Generation Director

To Contractor: [Contractor's Name]  
[Mailing Address]



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Attention: [Contractor's representative]

### ARTICLE 42: Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

### ARTICLE 43: Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations. Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

### ARTICLE 44: Safety Provisions

44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's 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 from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.
  - b. It shall establish the mechanisms used to update and audit compliance with itself.
  - c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.
- 44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
  - b. Description of the activities
  - c. Occupational safety and health considerations to be addressed before commencement of the project.
  - d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
    - i. Occupational Exposure to Lead (29 CFR 1926.62)
    - ii. Scaffolds (29 CFR 1926 Subpart L)
    - iii. Confined Spaces (29 CFR 1910.146)





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- iv. Occupational Exposure to Noise (29 CFR 1910.95)
- v. Hazardous Materials (29 CFR 1910 Subpart H)
- vi. Personal Protective Equipment (29 CFR Subpart I)
- vii. Hazard Communication (29 CFR 1910.1200)
- viii. HAZWOPER (29 CFR 1910.120)
- ix. Fire Protection (29 CFR 1910 Subpart L)
- x. Commercial Diving (29 CFR 1910 Subpart T)
- xi. Respiratory Protection (29 CFR 1910.134)
- xii. Fall Protection (29 CFR 1926 Subpart M)
- xiii. Electrical (29 CFR 1926 Subpart K)
- xiv. Welding (29 CFR 1926 Subpart J)
- xv. Excavations (29 CFR 1926 Subpart P)
- xvi. Demolitions (29 CFR 1926 Subpart T)
- xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
- xviii. Ventilation (29 CFR 1926.57)
- xix. Tools, Hand, and Powered (1926 Subpart I)
- xx. Electric Industry (29 CFR 1910.269)
- xxi. Lockout/Tagout (29 CFR 1910.147)
- xxii. Asbestos (29 CFR 1910.1001)
- e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.
- g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).
- h. Certification of compliance with medical surveillance requirements, according to scope of work.
- i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.
- j. Safety equipment and materials to be used during the project.
- k. Procedures to verify the work area after each work day and at the end of the project.
- l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.
- m. Certification of compliance for general workers ten (10) hours





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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.

44.3 Before commencement of work, the Contractor shall take part in a coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.

44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.

44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.

44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.

44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

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

44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations and lawful orders of any public authority having jurisdiction for the safety of persons or property or to protect them from





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damage, injury or loss. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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

44.13 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.

44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.

44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.

### ARTICLE 45: Environmental Conditions

45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply





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with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on, under, or about the project site, Contractor shall promptly notify PREPA in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply





## Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

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immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

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

45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.

45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.

45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.

45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).

45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.

45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes



COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY

DESIGN AND CONSTRUCTION NEW WATER CONDENSATE TANK 6  
AT THE COSTA SUR POWER PLANT

APPEAR

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 83 of May 2, 1941, as amended, represented in this act by its Interim Executive Director, Efran Paredes Maisonet, of legal age, married, engineer, and resident of Bayamón, Puerto Rico.

AS SECOND PARTY: Alonso & Carus Iron Works, Inc. hereinafter referred to as "the Contractor", a corporation organized and existing under the laws of the Commonwealth of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its Vice-president, Jorge L. Ramos Ortiz, of legal age, married, and resident of Toa Baja, by virtue of Corporate Resolution dated as February 18, 2020.

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

WHEREAS, PREPA, by virtue of its enabling act, Act 83 of May 2, 1941, as amended (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, this Contract was awarded to the Contractor on August 25, 2020 by means of an emergency competitive process (RFP 00002817), Power Advocate Event Number 107639.



WITNESSETH

THEREFORE, IN CONSIDERATION of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, successors, and assignees, as follows:

TERMS AND CONDITIONS

ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all engineering, design, work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Design and Construction Water Condensate Tank 6 at the Costa Sur Power Plant. In accordance with the specifications stated in herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

Article 2. Definitions

Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

- 2.1 Contracting Officer - shall mean the Chief Executive Officer/Executive Director of PREPA, acting directly or through his properly authorized agents.
- 2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top



to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):

- a. Contract
- b. Terms and Conditions
- c. Special Conditions and Technical Specifications
- d. Instructions to Proponents
- e. Questions and Answers during the procurement process
- f. Contractor's Proposal
- g. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.

In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.

- 2.3 Completion Date – date in which all tasks and project scope had completed.
- 2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.
- 2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.
- 2.6 Final Acceptance – shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.





- 2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving authority to begin the Work or separate portions of the Work, as established in this Contract.
- 2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.
- 2.9 Special Conditions – are all the specific requirements, regulations and/or directions covering particular conditions of the project.
- 2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.
- 2.11 Environmental Compliance Officer – PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.
- 2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security





officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

ARTICLE 3: Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed eight hundred forty five thousand thirteen dollars (\$845,013). PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation for Design and Construction of a Water Condensate Tank 6 at the Costa Sur Power Plant including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.



The invoices submitted by Contractor must be approved by the Engineer and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents.

PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's approval. PREPA shall retain ten percent (10%) of each payment until completion and acceptance of the Project.

Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment.

All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

**No interest Certification:**

Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Contract or a waiver has been previously obtained. I, also certify that the only





consideration to provide the services under this Contract is the payment agreed with PREPA's authorized representative.


The total amount of this invoice is fair and correct. The works were completed, the services were provided and no payment has been received for said concept.

\_\_\_\_\_  
Contractor's Signature

Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17563-555-354.

ARTICLE 4: Commencement, Prosecution and Completion of Work



PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on ninety (90) days on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).



The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

ARTICLE 5: Suspension of Work

The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.

ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called for or shown in both. In case of any difference between drawings and Specifications, the specifications shall govern. In case of 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 he has received written orders from the Engineer.

The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

ARTICLE 7: Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by PREPA may include, but not limited to, changes:

- 
1. In the specifications including drawings and design.
  2. In the method or schedule of performance of the Works.
  3. Acceleration in the performance of the Works.


Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agree by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to,



when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

ARTICLE 8. Other Work at the Site



PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and storage their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of



the entire services requires the use of PREPA's own forces or by other contractors, 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.

ARTICLE 9: Inspection

9.1.1 Periodic Inspection



All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers.

Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.


After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the





Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.



ARTICLE 10. Submittals


The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith. Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall



obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

ARTICLE 11: Superintendence by the Contractor



Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

ARTICLE 12: Sanitary Facilities


The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

ARTICLE 13: Access to Work

The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

ARTICLE 14: Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event.




Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of



proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

ARTICLE 15: Penalties for Delays



If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of two thousand two hundred dollars (\$2,200) for each day of delay up to a maximum of five percent (5%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.

In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only to appeal by the



Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities

##### 16.1 Civil Responsibility

The appearing Parties agree that their responsibilities for damages under this

Contract will be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico.


16.2 Indirect or Consequential Damages

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

16.3. Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.

16.4. Protection against the Occurrence of Damages



The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.

16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained



by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

16.6. Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA.

If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.

ARTICLE 17: Independent 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 not be considered as employees or



agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party: (i) becomes insolvent, or (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy. If PREPA terminates the Contract, PREPA shall pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by



PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.


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.

ARTICLE 19: 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:

19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:



The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.

19.2 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

19.3 Commercial Automobile Liability Insurance:

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

19.4 Employer's Liability Insurance:



The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

**19.5 Professional Liability Insurance:**

The Consultant shall provide a Professional Liability Insurance with limits of at least \$1,000,000 per claim and at least \$1,000,000 aggregate.

**Requirements Under the Policies:**

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

a. As Additional Insured:


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

- b. A 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 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."

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 Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

Furnishing of Policies:

All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20: Permits and Licenses



The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.




ARTICLE 21: Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

ARTICLE 22. Transfer of Funds



If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, 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.


 Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.

ARTICLE 23: Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.



The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests. If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.



The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.

ARTICLE 24: Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

ARTICLE 25: Other Contracts


PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

ARTICLE 26: Minimum Wage Rates



Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

ARTICLE 27: Unfair Labor Practice



In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.

Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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: Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions. Provided, that no subcontract

shall be considered for PREPA's approval, except when the following requirements are met: (1) 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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.

If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22, Transfer of Funds, of this Contract, shall apply.

ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.


ARTICLE 30: Novation

The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This



previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.

ARTICLE 32: Waivers



No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.




ARTICLE 34: Disputes

All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within ten (10) days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within ten (10) days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact.

Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages.

In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.

ARTICLE 35: Laws to be Observed



Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of 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 16, Liabilities, of this Contract.

All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.



ARTICLE 36: Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.

ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39: Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or



affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

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ARTICLE 40: Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works.

No warranty claim shall extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The



Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.



ARTICLE 41: Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention: Mr. Fernando Padilla  
Project Management Officer

To Contractor: Alonso & Carus Iron Works, Inc.  
P.O. Box 566  
Cataño, Puerto Rico 00963

Attention: Jorge L. Ramos Ortíz

ARTICLE 42: Other Taxes



All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

ARTICLE 43: Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations.

Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

ARTICLE 44: Safety Provisions

44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's 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 from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.




- b. It shall establish the mechanisms used to update and audit compliance with itself.
- c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.

44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
- b. Description of the activities
- c. Occupational safety and health considerations to be addressed before commencement of the project.
- d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
  - i. Occupational Exposure to Lead (29 CFR 1926.62)
  - ii. Scaffolds (29 CFR 1926 Subpart L)
  - iii. Confined Spaces (29 CFR 1910.146)
  - iv. Occupational Exposure to Noise (29 CFR 1910.95)
  - v. Hazardous Materials (29 CFR 1910 Subpart H)
  - vi. Personal Protective Equipment (29 CFR Subpart I)
  - vii. Hazard Communication (29 CFR 1910.1200)



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- viii. HAZWOPER (29 CFR 1910.120)
  - ix. Fire Protection (29 CFR 1910 Subpart L)
  - x. Commercial Diving (29 CFR 1910 Subpart T)
  - xi. Respiratory Protection (29 CFR 1910.134)
  - xii. Fall Protection (29 CFR 1926 Subpart M)
  - xiii. Electrical (29 CFR 1926 Subpart K)
  - xiv. Welding (29 CFR 1926 Subpart J)
  - xv. Excavations (29 CFR 1926 Subpart P)
  - xvi. Demolitions (29 CFR 1926 Subpart T)
  - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
  - xviii. Ventilation (29 CFR 1926.57)
  - xix. Tools, Hand, and Powered (1926 Subpart I)
  - xx. Electric Industry (29 CFR 1910.269)
  - xxi. Lockout/Tagout (29 CFR 1910.147)
  - xxii. Asbestos (29 CFR 1910.1001)

- e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of

work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.


- g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).
- h. Certification of compliance with medical surveillance requirements, according to scope of work.
- i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.
- j. Safety equipment and materials to be used during the project.
- k. Procedures to verify the work area after each work day and at the end of the project.
- l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.
- m. 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.

44.3 Before commencement of work, the Contractor shall take part in a coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.



44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.


44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the

area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.

44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.

44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

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



44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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


44.13 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.

44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.

44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.




44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.

ARTICLE 45: Environmental Conditions

45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees.




Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on under, or about the project site, Contractor shall promptly notify PREPA in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus,



hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.



45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify



PREPA immediately of any findings resulting from inspections performed by regulatory agency.

- 45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.
- 45.6 The Contractor agrees to indemnify PREPA for all expenses and costs of any nature arising out of any claim due to an environmental violation, caused by his agents, employees, subcontractors or assigns during the performance or non-performance of its obligations under the Contract.
- 45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.
- 45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be

removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.

45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.

45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).

45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.

45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.

45.13 The contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.






45.14 All work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the Spill Prevention and Control and Countermeasure Plan (SPCCP).

45.15 The Contractor shall submit work plan and a spill prevention plan to the Environmental Engineer (SPCCP). The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.

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45.16 All chemical products to be used shall be classified as "Approved" or "Conditional Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises.

45.17 The Contractor, upon completion of the work, must leave all the work area clean, organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.



45.18 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.

45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.

45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).

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



45.22 All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.


45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.

45.24 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.

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

45.26 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 in the project. This report will include a copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.

45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be caused by process or work operations.



45.28 The Contractor shall be responsible to obtain all the necessary permits for the proposed activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).

45.29 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

45.30 Water flooding of trenches with potable water will not be permitted.

45.31 All paints applied by sprayers shall be of a water-based type.



45.32 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.

45.33 Contractor shall take whatever steps, procedures, or means to prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.

45.34 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.

45.35 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.

45.36 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and



Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.

ARTICLE 46: Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes,

tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and properly implemented.

The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.

ARTICLE 48: Compliance with the Commonwealth of Puerto Rico Contracting Requirements

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.


- A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5)



years.

The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico:



Pursuant to Executive Order No. 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor will certify and warrant 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. 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.




C. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify 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, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA. 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 with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by 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 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.

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- D. Treasury Department Certification: The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that 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.
- E. The Contractor shall provide a Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.
- F. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.
- G. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of subsidiaries, if applicable, have any



debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores (ASUME)*).

- H. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.
- I. The Contractor shall present a Good Standing Certificate issued by the Puerto Rico Department of State.
- J. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.
- K. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as *Departamento de Hacienda de Puerto Rico*). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the





Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.


- L. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.
- M. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, 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/he immediate family (spouse, dependent children or other members of his/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 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.;
- N. Act 168-2000: Law for the Strengthening of the Family Support and 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 168-2000, as amended, the same is current and in all aspects in compliance. Act 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.

O. Act 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act:

Payment for services object of 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 Act. No. 18 of October 30, 1975, as amended.

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

Q. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.



R. Anti-Corruption Code for a New Puerto Rico: 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 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.

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.

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.

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, 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.

S. 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.

T. Prohibition with respect to contracting with officers or employees: (3 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.

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U. 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.

V. Prohibition with respect to evaluation and approval by public officers:  
(3 L.P.R.A. 8615(f)):

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.

 W. Prohibition with respect to execution by public officers contracts with 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.

X. Provisions Required under Act 14-2004: 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, if they are available.

Y. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor expressly agrees that the conditions outlined above and 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 enough cause for PREPA to terminate this Contract.



ARTICLE 49: Compliance with Applicable Federal Law, Regulations And Executive Orders. [REQUIRED FOR AGREEMENTS FUNDED IN WHOLE OR IN PART WITH FEMA and CDBG-DR FUNDS]

49.1 Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708).

- A. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work 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. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages.



In addition, such contractor and 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 section, in the sum of \$27 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 section.



C. Withholding for unpaid wages and liquidated damages. PREPA 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 prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) through (D) of this section and also a

clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime 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 section.

49.2 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies 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 so certify to the tier above it. 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 (COR3). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.



49.3 Remedies. 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. Upon a material breach by Contractor, PREPA may utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommend suspension and debarment.

49.4 Clean Air Act and the Federal Water Pollution Control Act.

A. 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.

B. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the COR3, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

C. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

49.5 Changes. At any time changes in the Services or work to be performed within the general scope of this Contract may be made in accordance with Article 7, Changes/Extra Work; provided, however, that no changes shall be made to the scope of the Services 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 or any other U.S. federal agency.



49.6 Sufficiency of Funds. The Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Agreement.


49.7 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 harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this contract.

49.8 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.

 49.9 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.




49.10 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 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.

49.11 Debarment, Suspension, and Ineligibility.



A. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor represents and warrants that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Contractor further 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 of this Contract, the Contractor will 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. The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

C. 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, an 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.

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

49.13 Review of Laws. The Contractor certifies 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 will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Contractor was able to find it online and read it as required.

49.14 Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations.



A. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, 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. Failure by the Contractor to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.




B. Applicable Regulations and Policy. 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) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);

(3) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.

49.15 Access to Records.




A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, 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 directly pertinent 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 Administrator, the Secretary of HUD, or his authorized representatives access to work sites pertaining to the work being completed under the Contract.



49.16 Retention requirements for records. 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 years from the date of submission by PREPA or the Puerto Rico Emergency Management Agency, on PREPA's behalf, of the final expenditure report for disaster declaration FEMA-4339-DR-PR, as reported to FEMA. 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. It is the responsibility of the Contractor to inquire of PREPA whether the aforementioned final expenditure report has been submitted.



49.17 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.

49.18 Procurement of Recovered Materials. In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired—


- A. Competitively within a timeframe providing for compliance with the Contract performance schedule;
- B. Meeting Contract performance requirements; or

C. 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>.

49.19 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.

49.20 Equal Employment Opportunity. During the performance of this Contract, the Contractor agrees as follows:



A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, 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 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, sexual orientation, gender identity, or national origin.
- C. The Contractor will 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 will 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 will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- F. The Contractor will 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 will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor 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 will 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 will be binding upon each subcontractor or vendor. The Contractor will 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.



49.21 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.

49.22 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 of this Contract.

49.23 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.

49.24 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 his 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.

49.25 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.


49.26 Compliance with Laws, Regulation and Executive Orders. The Contractor acknowledges that FEMA financial assistance will be used to fund this Contract. The Contractor shall comply will all applicable Federal and Government of Puerto Rico 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 regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

49.27 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.

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



49.29 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.

49.30 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, Contractor, or any other party pertaining to any matter resulting from the contract.


49.31 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.

49.32 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.

49.33 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.

49.34 Davis Bacon Act And Copeland Anti-Kickback Act



A. Contractor. 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, which are incorporated by reference into this Contract.

B. Subcontracts. Contractor or subcontractors shall insert in any subcontracts the clause above and such other clauses as FEMA or HUD may by appropriate instructions require, and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

C. Breach. 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.




49.35 HUD 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 CFR 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. Contractor agrees to send to each labor organization or representative of workers with which 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.

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- D. Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 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 CFR part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. Contractor will certify that any vacant employment positions, including training positions, that are filled (i) after Contractor is selected but before the contract is executed, and (ii) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR 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 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).

49.36 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. Section 3 minimum contracting goals. 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.).

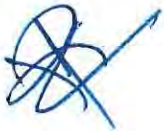


C. A Section 3 business is one that can demonstrate it meets one of the following criteria:

- (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. Eligibility for preference. 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 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.

49.37 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:

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- (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 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 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 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. Subcontracts. 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.

I. 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. Disputes concerning labor standards. 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.

(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 1010, 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. Complaints, Proceedings, or Testimony by Employees. 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. Health and Safety. 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.

49.38 Buy American—Construction Materials Under Trade Agreements (Oct 2016)

A. Definitions. As used in this Article—

1. **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—

- 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

b. Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.



3. **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. 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 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);
- b. 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

- 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—**

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.

9. **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.
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 (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) <sup>1</sup>
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).



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.

ARTICLE 50: Correlation of Documents

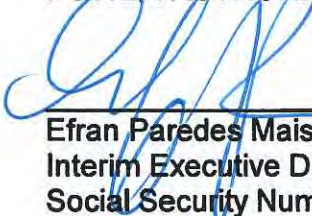
In case of discrepancy or in the event of conflict among the different Contract documents such as: Contract and the Contractors Proposal, these shall take precedence in the order given. The terms and conditions contained in the Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Proposal.

ARTICLE 51: Complete Agreement

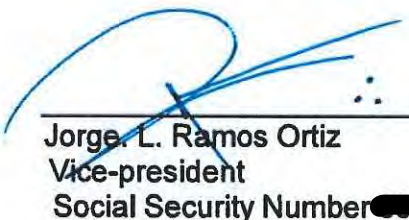
This document, together with all attachments referenced herein, constitutes the complete agreement between the Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract this 4 day of September of 2020, in San Juan, Puerto Rico.

PUERTO RICO ELECTRIC  
POWER AUTHORITY

  
\_\_\_\_\_  
Efran Paredes Maisonet  
Interim Executive Director  
Social Security Number [REDACTED]

CONTRACTOR

  
\_\_\_\_\_  
Jorge L. Ramos Ortiz  
Vice-president  
Social Security Number [REDACTED]



Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

Contract: 00087958
Release :
Executed: 09/14/2020
Printed : 09/14/2020
Page : 1

Mail Invoice To:

AUTORIDAD DE ENERGIA ELECTRICA
DIVISION DE TESORERIA
P.O. BOX 70253
SAN JUAN PR 00936-8253

Vendor:

JORGE L. RAMOS ORTIZ
ALONSO CARUS IRON WORKS INC
PO BOX 566
CATANO PR 00963

Please Direct Inquiries to:

JOEL D. PANTOJAS-CARABALLO
JPANTOJAS13525@AEEPR.COM
Title: PROCUREMENT SUPV G5
Phone: 787-521-3034
Fax : 787-521-3171

Work Location:

JEFE OFIC ADM DIR SIST ELECT
NEOM 606
CARR. NUM. 1, KM 15.1
C. SAN ROBERTO FINAL
MONACILLOS PR 00926

Title: DESIGN & BUILD NEW CONDENSATE WATER TANK 6 COSTA SUR POWER PLANT

Total Value : \$845,013.00 USD
Pricing Method: ESTIMATE

\*\* NOT TO EXCEED \*\*

Contract Type : SERVICES
Project :

Start Date: 08/25/2020
End Date : 11/30/2020

Vendor Authorized Signature

Printed Name/Title

Date Signed

Phone

[Handwritten Signature]

Authorized Signature

Neftalí González Cruz JEFE DIVISION DE SUMINISTROS

Printed Name/Title

9/14/20

Date Signed

787-521-3268

Phone

Insurance Requirements

Table with 4 columns: Coverage, Start, End, Insurance Description. Rows include AUTOMOBILE LIABILITY INSURANCE and COMMERCIAL GENERAL LIABILITY INSURAN.





Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

Contract: 00087958  
Release :  
Executed: 09/14/2020  
Printed : 09/14/2020  
Page : 2

\$1,000,000	01/01/2020	01/01/2021	EMPLOYER'S LIABILITY INSURANCE
\$309,468			PAYMENT BOND
\$309,468			PERFORMANCE BOND
\$309,468	07/01/2019	06/30/2020	WORKMEN'S COMPENSATION INSURANCE OF

*Scope of Work*

00087958  
REQ. 241575  
RFP 00002817

" PROJECT DESCRIPTION - Design & Build New Water Condensate Tank #6 at Costa Sur Power Plant

Scope of work: This is a Design and Build Project. Contractor shall provide all engineering, permit work, design (for construction and as-built), construction, hydrostatic test, labor, equipment, materials, permits and supervision required to successfully build one (1) new condensate tanks (#6) at South Coast Steam Plant. The tank shall have a nominal capacity of 288,000 gallons with 35'-0" diameter and 40'-0" high dimensions, vertical type with flat bottom and supported cone roof in accordance with this document and Technical Specifications. All the require works will be at the South Coast Steam Plant facilities. Contractor shall be responsible for all required rigging and safety. Also, the Contractor shall be responsible for the appropriate stores of the coatings, grit blast material and equipment. The project shall be completed in 84 consecutive days.



COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY

FIRST AMENDMENT  
CONTRACT 87958 (2021-P00062) A  
DESIGN AND CONSTRUCTION NEW WATER CONDENSATE TANK 6  
AT THE COSTA SUR POWER PLANT

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 Interim Executive Director, Efran Paredes Maisonet, of legal age, married, engineer, and resident of Bayamón, Puerto Rico.-----


**AS SECOND PARTY:** Alonso & Carus Iron Works, Inc. (Contractor), a corporation organized and existing under the laws of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its Vicepresident, Jorge L. Ramos Ortiz, of legal age, married, and resident of Toa Baja, by virtue of Corporate Resolution dated as February 18, 2020.-----

Both PREPA and the Contractor are herein individuals referred to as a "Party" and collectively referred to as the "Parties".-----

WITNESSETH

In consideration of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows:-----

STATE



**WHEREAS:** On September 4, 2020, the appearing Parties executed the Contract 2021-P00062 (Contract) , to provide: all engineering, design, work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Design and Construction of a Water Condensate Tank 6 at the Costa Sur Power Plant (Project). The mentioned works were awarded on August 25, 2020 by means of an emergency competitive process (RFP 00002817), Power Advocate Event Number 107639. The Contract have an amount of eight hundred forty five thousand thirteen dollars (\$845,013) and a term of ninety (90) calendar days. -----

**WHEREAS:** Due to a different site condition in the actual position of the lower reinforcing bar layer of the existing concrete mat, the size of the required "U" bars shown in drawing S-103 prepared by the structural design firm, HGE, PSC, needed to be modified. The issued for bid drawing required a 14" wide "U" bar, but it would interfere with the existing mat foundation lower reinforcing bar layer. To avoid the interference, the designer reduced

the size of the "U" bar to 12" wide. The revised structural drawing was received by the Contractor on September 30, 2020. -----

**WHEREAS:** This situation resulted in a 6 calendar days delay as shown in the revised project schedule which was discussed during the weekly construction meeting on October 1, 2020. Specifically, the delay is caused by the required revision of the re-bar shop drawings which had been approved by PREPA and by losing the assigned turn at the re-bar fabrication shop.-

**WHEREAS:** The Contractor submitted a proposal on October 3, 2020 to extend the term for the construction of the project by six (6) calendar days. On October 5, 2020, PREPA's Generation Directorate, evaluated and recommended to add these six (6) calendar days to the original construction term. -----

**WHEREAS:** Atmospheric events (rainfall) occurred on days 27, 28 and 29 of October 2020 and on November 2, 10 and 11 of 2020. The cumulative hours of these rainy days caused a delay on one (1) day to the original construction term. -----

**WHEREAS:** On November 12, 2020 a PREPA's employee operating a load lift equipment damaged one of the ring shell plate that was supposed to be installed at the upper ring shell section of the tank. Due to this incident the Contractor had to send back to the workshop the plate damaged for repairs, surface preparation and re-coating. This incident delayed the Contractor's schedule by eleven (11) days. -----

**WHEREAS:** On November 14, 2020, the Contractor submitted, through an email, a time impact analysis which included the events mentioned above which increases the term for the construction of the project on twelve (12) calendar days. On November 17, 2020, PREPA's project management team evaluated and recommended twelve (12) calendar days to the original term. Therefore, the term for delivery of the Project shall increase from ninety (90) calendar days to one hundred eight (108) calendar days.-----

**THEREFORE,** in consideration of the mutual covenants hereinafter stated, the Parties hereby agree to amend the Contract as follows:-----

#### **TERMS AND CONDITIONS**

**FIRST:** The Article 4, Commencement, Prosecution and Completion of Work, is superseded to read as follows:-----

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on one hundred eight (108) days on a continuous schedule, after the

commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.-----

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).-----


The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.-----

Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.-----

**SECOND:** PREPA shall not be liable to the Contractor for any extended overhead costs and the Contractor hereby accepts the time extension as full settlement for the above mentioned delay situations.-----

**THIRD:** The Contractor shall provide, before the execution of this First Amendment, the following documents and certifications: -----

- 
- A. Certification issued by the Treasury Department of Puerto Rico which indicates that the 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. -----
  - B. 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. -----
  - C. A Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that the Contractor has filed its Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods. -----
  - D. 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. -----



- E. A Personal Property Tax Filing Certification, issued by the MRCC which indicates that the Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms. -----
- F. Certification, issued by the Child Support Administration, assuring that the Contractor is in compliance with the withholdings required by law as an employer. -----
- G. Certificates, issued by the Department of Labor and Human Resources of Puerto Rico, assuring that the Contractor has paid to the Department of Labor and Human Resources of Puerto Rico its employees' contributions accruing during the last five (5) years, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for drivers/chauffeurs); or is paying such contributions by an installment plan in full compliance with its terms. -----
- H. Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico. -----
- I. Good Standing Certificate issued by the Department of State of Puerto Rico. -----
- J. Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico. -----

If any of the previously required Certifications shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor will certify 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. -----

**FOURTH:** The Contractor shall furnish a sworn statement to the effect that neither the 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 the 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, known as Anticorruption Code for a New Puerto Rico (Act 2-2018).-----

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 (Act 1-2012), any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code (Act 146-2012), any of the crimes typified in Act 2-2018, as amended, 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 the 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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, any of the crimes typified in Act 2-2018, as amended, 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. -----


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 the PREPA to render this Contract null and void.

**FIFTH:** The Parties agree that all other terms and conditions, established in the Contract 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 30 day of November, 2020. -----

Puerto Rico Electric Power Authority

Alonso & Carus Iron Works, Inc.

  
\_\_\_\_\_  
Efran Paredes Maisonet  
Interim Executive Officer  
Tax ID: [REDACTED]

  
\_\_\_\_\_  
Jorge L. Ramos Ortiz  
Vice-president  
Tax ID: [REDACTED]

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY

SECOND AMENDMENT  
CONTRACT 87958 (2021-P00062)  
DESIGN AND CONSTRUCTION NEW WATER CONDENSATE TANK 6  
AT THE COSTA SUR POWER PLANT

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 Executive Director, Efran Paredes Maisonet, of legal age, married, engineer, and resident of Bayamón, Puerto Rico.--

**AS SECOND PARTY:** Alonso & Carus Iron Works, Inc. (Contractor), a corporation organized and existing under the laws of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its Vicepresident, Jorge L. Ramos Ortiz, of legal age, married, and resident of Toa Baja, by virtue of Corporate Resolution dated as February 18, 2020.-----

Both PREPA and the Contractor are herein individuals referred to as a "Party" and collectively referred to as the "Parties".-----

WITNESSETH

In consideration of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows:-----

STATE

**WHEREAS:** On September 4, 2020, the appearing Parties executed the Contract 2021-P00062 (Contract) , to provide: all engineering, design, work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Design and Construction of a Water Condensate Tank 6 at the Costa Sur Power Plant (Project). The mentioned works were awarded on August 25, 2020 by means of an emergency competitive process (RFP 00002817), Power Advocate Event Number 107639. The Contract have an amount of eight hundred forty five thousand thirteen dollars (\$845,013) and a term of ninety (90) calendar days. -----

**WHEREAS:** On November 30, 2020, the appearing Parties executed the First Amendment to the Contract 2021-P00062 (Contract), to increase the term for the Project from ninety (90) calendar days to one hundred eight (108) calendar days.-----

JLR



**WHEREAS:** Due to a malfunction of an existing 24 inch isolating valve the Contractor was not able to complete the installation of a new 24 inch diameter nozzle to the tank and complete the connection between the tank and the existing pipeline header. This, because the demineralized water recirculating through the existing pipeline and passing the malfunction valve had high flow and a temperature close to one hundred five degrees fahrenheit (105°F), which presented a safety issue to the Contractor's employees.-----

**WHEREAS:** To solve the situation PREPA had to fabricate a 24 inch diameter and 1/8 inch thick metal plate and during a forced outage of Unit 5 proceed to install the isolating plate so the Contractor could complete the installation of the nozzle, as per the tank's design.-----

**WHEREAS:** This situation resulted in a six (6) calendar days delay which was discussed during the weekly construction meeting on November 10, 2020. -----

JLR

**WHEREAS:** The Contractor submitted a revised schedule proposal on December 9, 2020 to extend the term for the construction of the project by six (6) calendar days. On December 14, 2020, PREPA's Generation Directorate, evaluated and recommended to add these six (6) calendar days to the original construction term. Therefore, the term for delivery of the Project shall increase from ninety (90) calendar days to one hundred fourteen (114) calendar days.-----

**THEREFORE,** in consideration of the mutual covenants hereinafter stated, the Parties hereby agree to amend the Contract as follows:-----

#### **TERMS AND CONDITIONS**

**FIRST:** The Article 4, Commencement, Prosecution and Completion of Work, is superseded to read as follows:-----

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on one hundred fourteen (114) days on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.-----

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits



must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).-----

The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.-----

Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.-----

**SECOND:** PREPA shall not be liable to the Contractor for any extended overhead costs and the Contractor hereby accepts the time extension as full settlement for the above mentioned delay situations.-----

JLR

**THIRD:** The Contractor shall provide, before the execution of this Second Amendment, the following documents and certifications: -----

- A. Certification issued by the Treasury Department of Puerto Rico which indicates that the Contractor does not owe taxes, for any concept, to the Commonwealth of Puerto Rico, or is paying such taxes by an installment plan in full compliance with its terms. -----
- B. 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. -----
- C. A Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that the Contractor has filed its Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods. -----
- D. 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. -----
- E. A Personal Property Tax Filing Certification, issued by the MRCC which indicates that the Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms. -----
- F. Certification, issued by the Child Support Administration, assuring that the Contractor is in compliance with the withholdings required by law as an employer. -----



- G. Certificates, issued by the Department of Labor and Human Resources of Puerto Rico, assuring that the Contractor has paid to the Department of Labor and Human Resources of Puerto Rico its employees' contributions accruing during the last five (5) years, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for drivers/chauffeurs); or is paying such contributions by an installment plan in full compliance with its terms. -----
- H. Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico. -----
- I. Good Standing Certificate issued by the Department of State of Puerto Rico. -----
- J. Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico. -----

If any of the previously required Certifications shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor will certify 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. -----

JLR

**FOURTH:** The Contractor shall furnish a sworn statement to the effect that neither the 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 the 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, known as Anticorruption Code for a New Puerto Rico (Act 2-2018).-----

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 (Act 1-2012), any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code (Act 146-2012), any of the crimes typified in Act 2-2018, as amended, 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 the 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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, any of the crimes typified in Act 2-2018, as amended, 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. -----


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 the PREPA to render this Contract null and void.


**FIFTH:** The Parties agree that all other terms and conditions, established in the Contract shall remain unaltered and fully enforceable. -----

**IN WITNESS WHEREOF**, the Parties hereto have agreed to execute this Second Amendment in San Juan, Puerto Rico, on this 29 day of December, 2020. -----

Puerto Rico Electric Power Authority

Alonso & Carus Iron Works, Inc.

  
\_\_\_\_\_  
Efran Paredes Maisonet  
Executive Officer  
Tax ID: [REDACTED]

  
\_\_\_\_\_  
Jorge L. Ramos Ortiz  
Vice-president  
Tax ID: [REDACTED]

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY

THIRD AMENDMENT  
CONTRACT 87958 (2021-P00062)C  
DESIGN AND CONSTRUCTION NEW WATER CONDENSATE TANK 6  
AT THE COSTA SUR POWER PLANT

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 Executive Director, Efran Paredes Maisonet, of legal age, married, engineer, and resident of Bayamón, Puerto Rico.--


**AS SECOND PARTY:** Alonso & Carus Iron Works, Inc. (Contractor), a corporation organized and existing under the laws of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its Vicepresident, Jorge L. Ramos Ortiz, of legal age, married, and resident of Toa Baja, by virtue of Corporate Resolution dated as February 18, 2020.-----

Both PREPA and the Contractor are herein individuals referred to as a "Party" and collectively referred to as the "Parties".-----

WITNESSETH

In consideration of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows:-----

STATE



**WHEREAS:** On September 4, 2020, the appearing Parties executed the Contract 2021-P00062 (Contract) , to provide: all engineering, design, work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Design and Construction of a Water Condensate Tank 6 at the Costa Sur Power Plant (Project). The mentioned works were awarded on August 25, 2020 by means of an emergency competitive process (RFP 00002817), Power Advocate Event Number 107639. The Contract have an amount of eight hundred forty five thousand thirteen dollars (\$845,013) and a term of ninety (90) calendar days. -----

**WHEREAS:** On November 30, 2020, the appearing Parties executed the First Amendment to the Contract 2021-P00062 (Contract), to increase the term for the Project from ninety (90) calendar days to one hundred eight (108) calendar days.-----

-----  
-----  
-----  
-----

**WHEREAS:** On December 29, 2020, the appearing Parties executed the Second Amendment to the Contract 2021-P00062 (Contract), to increase the term for the Project from one hundred eight (108) calendar days to one hundred fourteen (114) calendar days.-----

**WHEREAS:** During an inspection of the construction of the tank, PREPA's inspection team observed that the overflow pipe of the tank did not included an extension from the point of its connection to the lower level of the tank. This represents a safety issue to PREPA's operational personnel because the temperature of the water that may fall from this overflow connection is approximately one hundred five degrees fahrenheit (105°F) which would result on possible burn injuries to this personnel, private contractors or any other people visiting the power plant.-----

**WHEREAS:** To solve the situation the Contractor had to design, fabricate and install a 6 inch diameter and 23 feet long extension to the overflow pipe. -----

**WHEREAS:** This situation resulted in an eight (8) calendar days delay because the Contractor can not complete the application of the exterior primer coating of the tank until the installation of the extension of the overflow is completed. On January 2, 2021, the Generation Directorate and the Contractor discussed the need to add those eight (8) days for the completion of the Project. -----

**WHEREAS:** As requested by PREPA, the Contractor submitted a revised schedule proposal on January 2, 2021 to extend the term for the construction of the project by eight (8) calendar days. On January 3, 2021, PREPA's Generation Directorate, evaluated and recommended to add these eight (8) calendar days to the original construction term. Therefore, the term for delivery of the Project shall increase from one hundred fourteen (114) calendar days to one hundred twenty two (122) calendar days.-----

**THEREFORE,** in consideration of the mutual covenants hereinafter stated, the Parties hereby agree to amend the Contract as follows:-----

#### **TERMS AND CONDITIONS**

**FIRST:** The Article 4, Commencement, Prosecution and Completion of Work, is superseded to read as follows:-----

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on one hundred twenty two (122) days on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be



previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.-----

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).-----

The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.-----

Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.-----


**SECOND:** PREPA shall not be liable to the Contractor for any extended overhead costs and the Contractor hereby accepts the time extension as full settlement for the above mentioned delay situations.-----

**THIRD:** The Contractor shall provide, before the execution of this Third Amendment, the following documents and certifications:-----

- A. Certification issued by the Treasury Department of Puerto Rico which indicates that the Contractor does not owe taxes, for any concept, to the Commonwealth of Puerto Rico, or is paying such taxes by an installment plan in full compliance with its terms.-----
- B. 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.-----
- C. A Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that the Contractor has filed its Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.-----
- D. 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.-----



- E. A Personal Property Tax Filing Certification, issued by the MRCC which indicates that the Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms. -----
- F. Certification, issued by the Child Support Administration, assuring that the Contractor is in compliance with the withholdings required by law as an employer. -----
- G. Certificates, issued by the Department of Labor and Human Resources of Puerto Rico, assuring that the Contractor has paid to the Department of Labor and Human Resources of Puerto Rico its employees' contributions accruing during the last five (5) years, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for drivers/chauffeurs); or is paying such contributions by an installment plan in full compliance with its terms. -----
- H. Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico. -----
- I. Good Standing Certificate issued by the Department of State of Puerto Rico. -----
- J. Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico. -----



If any of the previously required Certifications shows a debt, and the Contractor has requested a review or adjustment of this debt, the Contractor will certify 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. -----

**FOURTH:** The Contractor shall furnish a sworn statement to the effect that neither the 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 the 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, known as Anticorruption Code for a New Puerto Rico (Act 2-2018).-----

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 (Act 1-2012), any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code (Act 146-2012), any of the crimes typified in Act 2-2018, as amended, 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 the 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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, any of the crimes typified in Act 2-2018, as amended, 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. -----

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 the PREPA to render this Contract null and void.

**FIFTH:** The Parties agree that all other terms and conditions, established in the Contract shall remain unaltered and fully enforceable. -----

**IN WITNESS WHEREOF**, the Parties hereto have agreed to execute this Third Amendment in San Juan, Puerto Rico, on this 5 day of January, 2021. -----

Puerto Rico Electric Power Authority

Alonso & Carus Iron Works, Inc.

  
Efran Paredes Maisonet  
Executive Director  
Tax ID: [REDACTED]

  
Jorge L. Ramos Ortiz  
Vice-president  
Tax ID: [REDACTED]





Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

Contract: 00086581
Release :
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Mail Invoice To:

Vendor:

AUTORIDAD DE ENERGIA ELECTRICA
DIVISION DE TESORERIA
P.O. BOX 70253
SAN JUAN PR 00936-8253

5 SENSES SOLUTIONS LLC.
1795 AVE FRANCISCO PAZ GRANELA
SAN JUAN PR 00921

Please Direct Inquiries to:

Work Location:

JOEL D. PANTOJAS-CARABALLO
JPANTOJAS13525@AEEPR.COM
Title: PROCUREMENT SUPV G5
Phone: 787-521-3034
Fax : 787-521-3171

JEFE OFIC ADM DIR SIST ELECT
NEOM 606
CARR. NUM. 1, KM 15.1
C. SAN ROBERTO FINAL
MONACILLOS PR 00926

Title: SERV REPARACIÓN DIQUES MPT'S 4, 5 AND 6 COSTA SUR POWER PLANT

Total Value : \$85,212.00 USD
Pricing Method: ESTIMATE

\*\* NOT TO EXCEED \*\*

Contract Type : SERVICES
Project :

Start Date: 04/23/2020
End Date : 10/16/2020

Handwritten signature of Michelle Febrés

Vendor Authorized Signature

Michelle Febrés - President

Printed Name/Title

08/28/2020 787-466-9605

Date Signed

Phone

Handwritten signature of Neftalí González Cruz

Authorized Signature

Neftalí González Cruz JEFE DIVISION DE SUMINISTROS

Printed Name/Title

8/28/2020 787-521-3261

Date Signed

Phone

Insurance Requirements

Table with 4 columns: Coverage, Start, End, Insurance Description. Rows include AUTOMOBILE LIABILITY INSURANCE and COMMERCIAL GENERAL LIABILITY INSURAN.



## Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

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\$1,000,000	05/31/2019	05/31/2021	EMPLOYER'S LIABILITY INSURANCE
\$85,212			PAYMENT BOND
\$85,212			PERFORMANCE BOND
\$85,212	04/28/2020	09/30/2020	WORKMEN'S COMPENSATION INSURANCE OF

### *Scope of Work*

ORDEN DE SERVICIO, MATERIALES Y EQUIPOS

REQ. 240520  
RFP 00002615

EMERGENCY PROCUREMENT PROCEDURES FOR COSTA SUR POWER PLANT UNIT 5  
REHABILITATION - SERVICIO DE REPARACIÓN DE DIQUES MPT'S 4, 5 & 6 CSPP.

SE ADJUDICA ESTA ORDEN DE ACUERDO A NUESTRAS ESPECIFICACIONES, TÉRMINOS Y  
CONDICIONES SOLICITADOS Y ACEPTADOS POR LA COMPAÑÍA PARA LA SOLICITUD RFP  
00002615.

INFORMACION DE PERSONA CONTACTO AEE:

ING. CARLOS A. NEGRÓN ALFONSO  
TEL. 787-521-6421 / 6406  
E-MAIL: CARLOS.NEGRON@PREPA.COM

COMPRADOR:

JOEL D. PANTOJAS CARABALLO  
SUPERVISOR DE COMPRAS PRINCIPAL  
TEL. 787-521-3317  
E-MAIL: JOEL.PANTOJAS@PREPA.COM

SUPLIDOR: MALNAT & ASOCIADOS  
TEL. 787-630-7978

DESGLOSE DE COSTOS:

1. MOBILIZATION, BONDS AND INSURANCES, MUNICIPAL TAXES - \$23,775.00
2. MPT 4 SECONDARY CONTAINMENT REPAIRS - \$31,500.00
3. MPT 5 SECONDARY CONTAINMENT REPAIRS - \$41,925.00
4. MPT 6 SECONDARY CONTAINMENT REPAIRS - \$61,300.00





## Contract

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CONTRACT SUM: \$158,500.00

PROJECT NAME: Main Power Transformers (MPT) 4, 5 & 6 Secondary  
Containment Repairs, South Coast Power Plant Rehabilitation

### SCOPE OF SUPPLY

#### A. MPT 4 - Task 57

1. Dimensions: 32 ft x 30 ft x 20 in

#### 2. Work Description

- a. High pressure washing to leave the surfaces free of oil, grease or other contaminants, including the removal and disposal of oily water
- b. Prepare the surfaces with abrasive blasting to remove the existing coating and for surface preparation.
- c. Remove any loose concrete from the floor and prepare the surface to fill the area with a product equal or approved equal to Master Emaco T430, by BASF. Follow all the manufacturer's requirements for the application. (Assume an area of 6' X 6' and an average of 1.5" thick)
- d. Repairs of cracks on walls and floor using a product equal or approved equal to Concrecive 1380, by BASF. Follow all the manufacturer's requirements for the application.
- e. After all repairs are done apply a product to seal the concrete surfaces equal or approved equal to Masterseal 700CR, by BASF. Follow all the manufacturer's requirements for the application.
- f. Recoat safety yellow paint on dike's exterior, hand rails, and stairs. Paints to be provided by PREPA.
- g. Dispose of debris and contaminated water.

#### B. MPT 5 - Task 48

1. Dimensions: 60ft x 30ft x 32 in

#### 2. Work Description

- a. High pressure washing to leave the surfaces free of oil, grease or other contaminants, including the removal and disposal of oily water
- b. Prepare the surfaces with abrasive blasting to remove the existing coating and for surface preparation.
- c. Remove any loose concrete from the floor and prepare the surface to fill the area with a product equal or approved equal to Master Emaco T430, by BASF. Follow all the manufacturer's requirements for the application. (Assume an area of 2' X 2' and an average of 1" thick)
- d. Repairs of cracks on walls and floor using a product equal or approved equal to Concrecive 1380, by BASF. Follow all the manufacturer's requirements for the application.





## Contract

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- e. Repair the longitudinal joint crack with a product equal or approved equal to Masterseal CR 195, by BASF. Follow all the manufacturer's requirements for the application.
- f. After all repairs are done apply a product to seal the concrete surfaces equal or approved equal to Masterseal 700CR, by BASF. Follow all the manufacturer's requirements for the application.
- g. Recoat safety yellow paint on dike's exterior, hand rails, and stairs. Paints to be provided by PREPA.
- h. Dispose of debris and contaminated water.

### C. MPT 6 - Task 58

1. Dimensions: 60ft x 30ft x 32 in

#### 2. Work Description

- a. High pressure washing to leave the surfaces free of oil, grease or other contaminants, including the removal and disposal of oily water
- b. Prepare the surfaces with abrasive blasting to remove the existing coating and for surface preparation.
- c. Remove any loose concrete from the floor and prepare the surface to fill the area with a product equal or approved equal to Master Emaco T430, by BASF. Follow all the manufacturer's requirements for the application. (Assume an area of 10' X 10' and an average of 1.5" thick)
- d. Repairs of cracks on walls and floor using a product equal or approved equal to Coneresive 1380, by BASF. Follow all the manufacturer's requirements for the application.
- e. On the concrete wall at the north east corner, consider the partial demolition of the wall to forming it back and fill it with a product equal or approved equal to Master Emaco S466, by BASF. Follow all the manufacturer's requirements for the application. (Assume a volume of 4.5 ft<sup>3</sup>).
- f. Repair the longitudinal joint crack with a product equal or approved equal to Masterseal CR 195, by BASF. Follow all the manufacturer's requirements for the application.
- g. After all repairs are done apply a product to seal the concrete surfaces equal or approved equal to Masterseal 700CR, by BASF. Follow all the manufacturer's requirements for the application.
- h. Recoat safety yellow paint on dike's exterior, hand rails, and stairs. Paints to be provided by PREPA.
- i. Dispose of debris and contaminated water.

#### D. Requirements

1. All chemical products shall be PREPA approved or PREPA conditionally approved.
2. Prior to project execution
  - a. List of Personnel and equipment.
  - b. During COVID-19 emergency, all personnel shall have their meals on site. Only one person is allowed to exit Plant's premises for meals or food.

Contract



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c. The Contractor shall follow PREPA's Safety and Health Plan

END OF SCOPE of SUPPLY

o DURATION OF SERVICES - 60 DAYS

Main Power Transformers 4, 5 and 6  
Dikes Repair Works Costa Sur Power Plant

TERMS AND CONDITIONS

ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Main Power Transformers 4, 5 and 6 dikes repair works at South Coast Power Plant. . In accordance with the specifications stated in Annex 1 herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

Article 2. Definitions

Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

2.1 Contracting Officer - shall mean the Chief Executive Officer/Executive Director of PREPA, acting directly or through his properly authorized agents.

2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):

- a. Contract
- b. Terms and Conditions
- c. Special Conditions and Technical Specifications
- d. Instructions to Proponents
- e. Questions and Answers during the procurement process
- f. Contractor's Proposal
- g. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.





## Contract

PUERTO RICO ELECTRIC POWER AUTHORITY

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In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.

2.3 Completion Date - date in which all tasks and project scope had completed.

2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.

2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.

2.6 Final Acceptance - shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.

2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving authority to begin the Work or separate portions of the Work, as established in this Contract.

2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.

2.9 Special Conditions - are all the specific requirements, regulations and/or directions covering particular conditions of the project.

2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.

2.11 Environmental Compliance Officer - PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.

2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

### ARTICLE 3: Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed (\$ ). PREPA shall have no





## Contract

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obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation for Main Power Transformers 4, 5 and 6 dikes repair works of South Coast Power Plant including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.

The invoices submitted by Contractor must be approved by the Engineer, and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents. PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's approval.

Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment. All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

### No interest Certification:

Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Contract or a waiver has been previously obtained. I, also certify that the only consideration to provide the services under this Contract is the payment agreed with PREPA's authorized representative.

The total amount of this invoice is fair and correct. The works were completed, the services were provided and no payment has been received for





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said concept.

### Contractor's Signature

Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17563-555-354.

### ARTICLE 4: Commencement, Prosecution and Completion of Work

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).

The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

### Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

### ARTICLE 5: Suspension of Work

The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.

### ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called for or shown in both. In case of any





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difference between drawings and Specifications, the specifications shall govern. In case of 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 he has received written orders from the Engineer. The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

### ARTICLE 7: Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by PREPA may include, but not limited to, changes:

1. In the specifications including drawings and design.
2. In the method or schedule of performance of the Works.
3. Acceleration in the performance of the Works.

Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agreed by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipates as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to, when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

### ARTICLE 8. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and store their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor,





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the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of the entire services requires the use of PREPA's own forces or by other contractors, 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.

### ARTICLE 9: Inspection

#### 9.1.1 Periodic Inspection

All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers. Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

#### 9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is





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found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.

### ARTICLE 10. Submittals

The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith.

Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to



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be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

### ARTICLE 11: Superintendence by the Contractor

Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

### ARTICLE 12: Sanitary Facilities

The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

### ARTICLE 13: Access to Work

The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

### ARTICLE 14: Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event. Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of





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proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

### ARTICLE 15: Penalties for Delays

If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of \$1,000.00 for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.

In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only to appeal by the Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The Contractor agrees that the penalty shall not





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

### ARTICLE 16. Liabilities

#### 16.1 Civil Responsibility

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

#### 16.2 Indirect or Consequential Damages

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

#### 16.3. Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.

#### 16.4. Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.

#### 16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

#### 16.6. Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA. If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.

### ARTICLE 17: Independent Contractor





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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 not be considered as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

### ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party:

(i) becomes insolvent, or (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy.

If PREPA terminates the Contract, PREPA shall pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.

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





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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.

### ARTICLE 19: 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:

#### 19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.

#### 19.2 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

#### 19.3 Commercial Automobile Liability Insurance:

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

#### 19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

#### Requirements Under the Policies:

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

##### a. As Additional Insured:

Puerto Rico Electric Power Authority  
Risk Management Office





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PO Box 364267

San Juan, PR 00936-4267

b. A 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 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."

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 Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

Furnishing of Policies:

All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20: Permits and Licenses

The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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





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proceed with the Work as changed.

### ARTICLE 21: Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

### ARTICLE 22. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, 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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.

### ARTICLE 23: Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors





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or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests. If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.

### ARTICLE 24: Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

### ARTICLE 25: Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

### ARTICLE 26: Minimum Wage Rates

Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the





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full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

### ARTICLE 27: Unfair Labor Practice

In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.

Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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: Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions.

Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) 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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.

If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22 Transfer of Funds, of this Contract, shall apply.

### ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

### ARTICLE 30: Novation





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The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

### ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.

### ARTICLE 32: Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

### ARTICLE 34: Disputes

All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within 10 days from the





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submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within 10 days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages. In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.

### ARTICLE 35: Laws to be Observed

Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of 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 16, Liabilities, of this Contract. All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

### ARTICLE 36: Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

### ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the



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courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.

### ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39: Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

### ARTICLE 40: Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records,





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and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.

### ARTICLE 41: Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention:

PREPA's Generation Director

To Contractor: [Contractor's Name]  
[Mailing Address]

Attention: [Contractor's representative]

### ARTICLE 42: Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

### ARTICLE 43: Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations.

Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

### ARTICLE 44: Safety Provisions

44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's 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 from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been





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updated within the past year from the delivery date to PREPA.

b. It shall establish the mechanisms used to update and audit compliance with itself.

c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.

44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
- b. Description of the activities
- c. Occupational safety and health considerations to be addressed before commencement of the project.
- d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
  - i. Occupational Exposure to Lead (29 CFR 1926.62)
  - ii. Scaffolds (29 CFR 1926 Subpart L)
  - iii. Confined Spaces (29 CFR 1910.146)
  - iv. Occupational Exposure to Noise (29 CFR 1910.95)
  - v. Hazardous Materials (29 CFR 1910 Subpart H)
  - vi. Personal Protective Equipment (29 CFR Subpart I)
  - vii. Hazard Communication (29 CFR 1910.1200)
  - viii. HAZWOPER (29 CFR 1910.120)
  - ix. Fire Protection (29 CFR 1910 Subpart L)
  - x. Commercial Diving (29 CFR 1910 Subpart T)
  - xi. Respiratory Protection (29 CFR 1910.134)
  - xii. Fall Protection (29 CFR 1926 Subpart M)
  - xiii. Electrical (29 CFR 1926 Subpart K)
  - xiv. Welding (29 CFR 1926 Subpart J)
  - xv. Excavations (29 CFR 1926 Subpart P)
  - xvi. Demolitions (29 CFR 1926 Subpart T)
  - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
  - xviii. Ventilation (29 CFR 1926.57)
  - xix. Tools, Hand, and Powered (1926 Subpart I)
  - xx. Electric Industry (29 CFR 1910.269)
  - xxi. Lockout/Tagout (29 CFR 1910.147)
  - xxii. Asbestos (29 CFR 1910.1001)
- e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration





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technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.

g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).

h. Certification of compliance with medical surveillance requirements, according to scope of work.

i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.

j. Safety equipment and materials to be used during the project.

k. Procedures to verify the work area after each work day and at the end of the project.

l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.

m. 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.

44.3 Before commencement of work, the Contractor shall take part in a coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.

44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.

44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.

44.6 The Contractor shall assure that all wastes are removed and





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properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.

44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

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

44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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

44.13 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.

44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. For projects including the handling of asbestos, lead, or spilled hazardous substances, the notification to EPA or the EQB





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will be done by the Contractor, but in coordination with the Safety Officer and the Environmental Advisor or Officer.

44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.

### ARTICLE 45: Environmental Conditions

45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on, under, or about the project site, Contractor shall promptly notify PREPA in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in





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combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

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

45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.

45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found





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during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.

45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.

45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).

45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.

45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.

45.13 The contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.

45.14 All work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the Spill Prevention and Control and Countermeasure Plan (SPCCP).

45.15 The Contractor shall submit work plan and a spill prevention plan to the Environmental Engineer (SPCCP). The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.

45.16 All chemical products to be used shall be classified as "Approved" or "Conditional Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises.

45.17 The Contractor, upon completion of the work, must leave all the work area clean, organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.





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45.18 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.

45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.

45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).

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

45.22 All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.

45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.

45.24 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.

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

45.26 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 in the project. This report will include a copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.

45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be caused by process or work operations.

45.28 The Contractor shall be responsible to obtain all the necessary permits for the proposed activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).

45.28 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

45.29 Water flooding of trenches with potable water will not be permitted.

45.30 All paints applied by sprayers shall be of a water-based type.





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45.31 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.

45.32 Contractor shall take whatever steps, procedures, or means to prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.

45.33 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.

45.34 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.

45.35 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.

### ARTICLE 46: Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

### ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes, tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment





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are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and properly implemented.

The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.

ARTICLE 48: Compliance with the Commonwealth of Puerto Rico Contracting Requirements

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.

A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of

Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years.

The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending

OE-1991-24, the Contractor will certify and warrant 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. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Sub Contractor whose service the Contractor has secured in connection with the





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services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.

C. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify 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, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA. 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 with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by 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 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.

D. Treasury Department Certification: The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that 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.

E. The Contractor shall provide a copy of Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

F. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.





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G. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME)).

H. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.

I. The Contractor shall present a Good Standing Certificate issued by the Puerto Rico Department of State.

J. Social Security and Income Tax Retentions: In compliance with Executive

Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.

K. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

L. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.

M. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, 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/he immediate family (spouse, dependent children or other members of his/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 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.;





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N. Act. 168-2000: Law for the Strengthening of the Family Support and 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 168-2000, as amended, the same is current and in all aspects in compliance.

Act 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.

O. Act. 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of 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 Act. No. 18 of October 30, 1975, as amended.

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

Q. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.

R. Anti-Corruption Code for a New Puerto Rico: 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 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.

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.

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





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the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.

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, 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.

S. 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.

T. Prohibition with respect to contracting with officers or employees: (3 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.

U. 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.

V. Prohibition with respect to evaluation and approval by public officers: (3 L.P.R.A. 8615(f)):

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





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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.

W. Prohibition with respect to execution by public officers contracts with 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.

X. Provisions Required under Act 14-2004: 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, if they are available.

Y. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor expressly agrees that the conditions outlined above and 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 enough cause for PREPA to terminate this Contract.

ARTICLE 49: Termination by the Chief of Staff of the Governor of Puerto Rico and Interagency Services

The Chief of Staff shall have the authority to terminate this Contract at any time. PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

Both Parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities, and public corporations.

ARTICLE 50: Compliance with Applicable Federal Law, Regulations And





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Executive Orders. [REQUIRED FOR AGREEMENTS FUNDED IN WHOLE OR IN PART WITH FEMA and CDBG-DR FUNDS]

Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).

A. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work 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. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and 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 section, in the sum of \$27 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 section.

C. Withholding for unpaid wages and liquidated damages. PREPA 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 prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

D. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) through (D) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime 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 section.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies that it will not and has not used Federal appropriated funds to





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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 so certify to the tier above it. 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 (COR3). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.

Remedies. 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. Upon a material breach by Contractor, PREPA may utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommend suspension and debarment. Clean Air Act and the Federal Water Pollution Control Act.

A. 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.

B. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the COR3, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

C. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

Changes. At any time changes in the Services or work to be performed within the general scope of this Contract may be made in accordance with Article 7, Changes/Extra Work; provided, however, that no changes shall be made to the scope of the Services 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 or any other U.S. federal agency.

Sufficiency of Funds. The Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is





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eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Agreement. 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 harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this contract.

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.

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





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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.

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 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.

Debarment, Suspension, and Ineligibility.

A. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor represents and warrants that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Contractor further 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 of this Contract, the Contractor will 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. The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

C. 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, an 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.

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

Review of Laws. The Contractor certifies that it will access online and read each law that is cited in the aforementioned clauses and that, in the





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event it cannot access the online version, it will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Contractor was able to find it online and read it as required.

### Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations.

A. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, 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. Failure by the Contractor to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.

B. Applicable Regulations and Policy. 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) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
- (3) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.

### Access to Records.

A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, 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 directly pertinent 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 Administrator, the Secretary of HUD, or his authorized representatives access to work sites pertaining to the work being completed under the Contract.

Retention requirements for records. 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 years from the date of submission by PREPA or the Puerto Rico Emergency Management Agency, on PREPA's behalf, of the final expenditure report for disaster declaration FEMA-4339-DR-PR, as reported to FEMA. 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,





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or audit findings involving the records have been resolved and final action taken. It is the responsibility of the Contractor to inquire of PREPA whether the aforementioned final expenditure report has been submitted.

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.

Procurement of Recovered Materials. In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired-

- A. Competitively within a timeframe providing for compliance with the Contract performance schedule;
- B. Meeting Contract performance requirements; or
- C. 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>.

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.

Equal Employment Opportunity. During the performance of this Contract, the Contractor agrees as follows:

- A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, 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 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, sexual orientation, gender identity, or national origin.
- C. The Contractor will not discharge or in any other manner





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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 will 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 will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.

F. The Contractor will 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 will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor 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 will 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 will be binding upon each subcontractor or vendor. The Contractor will 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





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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.

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.

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 of this Contract.

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.

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 his 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.

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. Compliance with Laws, Regulation and Executive Orders. The Contractor acknowledges that FEMA financial assistance will be used to fund this Contract. The Contractor shall comply will all applicable Federal and Government of Puerto Rico 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 regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

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





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correction.

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

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.

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, Contractor, or any other party pertaining to any matter resulting from the contract.

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.

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.

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.

Davis Bacon Act And Copeland Anti-Kickback Act

A. Contractor. 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, which are incorporated by reference into this Contract.

B. Subcontracts. Contractor or subcontractors shall insert in any subcontracts the clause above and such other clauses as FEMA or HUD may by appropriate instructions require, and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

C. Breach. 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.

HUD Section 3 Clause

A. The work to be performed under this contract is subject to the





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

D. Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 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 CFR part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

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

F. Noncompliance with HUD's regulations in 24 CFR 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





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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).

### 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. Section 3 minimum contracting goals. 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





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(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. Eligibility for preference. 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 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.

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





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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 1 (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





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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





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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 1(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 1(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 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





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WH-347 is available for this purpose from the Wage and Hour Division Website 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





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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,





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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. Subcontracts. 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





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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.

I. 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. Disputes concerning labor standards. 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.

(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 1010, 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. Complaints, Proceedings, or Testimony by Employees. 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.





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M. Health and Safety. 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.

Buy American-Construction Materials Under Trade Agreements (Oct 2016)

A. Definitions. As used in this Article-

1. 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-

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

b. Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.

3. 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





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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. 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 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);

b. 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

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.





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8. 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.
  9. 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.
  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 (FTAs) apply to this acquisition.





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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





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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) <sup>1</sup>
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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).

H. Restrictions on Certain Foreign Purchase

1. Except as authorized by the Office of Foreign Assets Control (OFAC)





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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.

### ARTICLE 51: Correlation of Documents

In case of discrepancy or in the event of conflict among the different Contract documents such as: Contract and the Contractors Proposal, these shall take precedence in the order given. The terms and conditions contained in the Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Proposal.

### *Contract Amendments*

Amendment: 001	Execution Date :	04/23/2020
Title : CORREGIR VENDOR A COMPAÑÍA AGRACIADA		
Amended Start : 04/23/2020	Amended End Date:	06/30/2020
Amendment Value: -\$73,288.00	** NOT TO EXCEED **	
Pricing Method :		

### *Amendment Scope*

ORDEN DE SERVICIO, MATERIALES Y EQUIPOS

REQ. 240520  
RFP 00002615





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REHABILITATION - SERVICIO DE REPARACIÓN DE DIQUES MPT'S 4, 5 & 6 CSPP.

SE ADJUDICA ESTA ORDEN DE ACUERDO A NUESTRAS ESPECIFICACIONES, TÉRMINOS Y CONDICIONES SOLICITADOS Y ACEPTADOS POR LA COMPAÑÍA PARA LA SOLICITUD RFP 00002615.

### INFORMACION DE PERSONA CONTACTO AEE:

ING. CARLOS A. NEGRÓN ALFONSO  
TEL. 787-521-6421 / 6406  
E-MAIL: CARLOS.NEGRON@PREPA.COM

### COMPRADOR:

JOEL D. PANTOJAS CARABALLO  
SUPERVISOR DE COMPRAS PRINCIPAL  
TEL. 787-521-3317  
E-MAIL: JOEL.PANTOJAS@PREPA.COM

SUPLIDOR: 5 SENSES SOLUTIONS LLC.  
TEL. 787-466-9605

### DESGLOSE DE COSTOS:

1. MOBILIZATION, BONDS AND INSURANCES, MUNICIPAL TAXES - \$21,303.00
2. MPT 4 SECONDARY CONTAINMENT REPAIRS - \$17,479.50
3. MPT 5 SECONDARY CONTAINMENT REPAIRS - \$17,479.50
4. MPT 6 SECONDARY CONTAINMENT REPAIRS - \$28,950.00

CONTRACT SUM: \$85,212.00

PROJECT NAME: MAIN POWER TRANSFORMERS (MPT) 4, 5 & 6 SECONDARY CONTAINMENT REPAIRS, SOUTH COAST POWER PLANT REHABILITATION

### SCOPE OF SUPPLY

#### A. MPT 4 - TASK 57

1. DIMENSIONS: 32 FT X 30 FT X 20 IN
2. WORK DESCRIPTION

A. HIGH PRESSURE WASHING TO LEAVE THE SURFACES FREE OF OIL, GREASE OR



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- OTHER CONTAMINANTS, INCLUDING THE REMOVAL AND DISPOSAL OF OILY WATER
- B. PREPARE THE SURFACES WITH ABRASIVE BLASTING TO REMOVE THE EXISTING COATING AND FOR SURFACE PREPARATION.
  - C. REMOVE ANY LOOSE CONCRETE FROM THE FLOOR AND PREPARE THE SURFACE TO FILL THE AREA WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTER EMACO T430, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION. (ASSUME AN AREA OF 6' X 6' AND AN AVERAGE OF 1.5" THICK)
  - D. REPAIRS OF CRACKS ON WALLS AND FLOOR USING A PRODUCT EQUAL OR APPROVED EQUAL TO CONCRESEIVE 1380, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
  - E. AFTER ALL REPAIRS ARE DONE APPLY A PRODUCT TO SEAL THE CONCRETE SURFACES EQUAL OR APPROVED EQUAL TO MASTERSEAL 700CR, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
  - F. RECOAT SAFETY YELLOW PAINT ON DIKE'S EXTERIOR, HAND RAILS, AND STAIRS. PAINTS TO BE PROVIDED BY PREPA.
  - G. DISPOSE OF DEBRIS AND CONTAMINATED WATER.

B. MPT 5 - TASK 48

- 1. DIMENSIONS: 60FT X 30FT X 32 IN
  - 2. WORK DESCRIPTION
- A. HIGH PRESSURE WASHING TO LEAVE THE SURFACES FREE OF OIL, GREASE OR OTHER CONTAMINANTS, INCLUDING THE REMOVAL AND DISPOSAL OF OILY WATER
  - B. PREPARE THE SURFACES WITH ABRASIVE BLASTING TO REMOVE THE EXISTING COATING AND FOR SURFACE PREPARATION.
  - C. REMOVE ANY LOOSE CONCRETE FROM THE FLOOR AND PREPARE THE SURFACE TO FILL THE AREA WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTER EMACO T430, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION. (ASSUME AN AREA OF 2' X 2' AND AN AVERAGE OF 1" THICK)
  - D. REPAIRS OF CRACKS ON WALLS AND FLOOR USING A PRODUCT EQUAL OR APPROVED EQUAL TO CONCRESEIVE 1380, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
  - E. REPAIR THE LONGITUDINAL JOINT CRACK WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTERSEAL CR 195, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
  - F. AFTER ALL REPAIRS ARE DONE APPLY A PRODUCT TO SEAL THE CONCRETE SURFACES EQUAL OR APPROVED EQUAL TO MASTERSEAL 700CR, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
  - G. RECOAT SAFETY YELLOW PAINT ON DIKE'S EXTERIOR, HAND RAILS, AND STAIRS. PAINTS TO BE PROVIDED BY PREPA.
  - H. DISPOSE OF DEBRIS AND CONTAMINATED WATER.

C. MPT 6 - TASK 58

- 1. DIMENSIONS: 60FT X 30FT X 32 IN
  - 2. WORK DESCRIPTION
- A. HIGH PRESSURE WASHING TO LEAVE THE SURFACES FREE OF OIL, GREASE OR OTHER CONTAMINANTS, INCLUDING THE REMOVAL AND DISPOSAL OF OILY WATER





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- B. PREPARE THE SURFACES WITH ABRASIVE BLASTING TO REMOVE THE EXISTING COATING AND FOR SURFACE PREPARATION.
- C. REMOVE ANY LOOSE CONCRETE FROM THE FLOOR AND PREPARE THE SURFACE TO FILL THE AREA WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTER EMACO T430, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION. (ASSUME AN AREA OF 10' X 10' AND AN AVERAGE OF 1.5" THICK)
- D. REPAIRS OF CRACKS ON WALLS AND FLOOR USING A PRODUCT EQUAL OR APPROVED EQUAL TO CONCRESEIVE 1380, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- E. ON THE CONCRETE WALL AT THE NORTH EAST CORNER, CONSIDER THE PARTIAL DEMOLITION OF THE WALL TO FORMING IT BACK AND FILL IT WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTER EMACO S466, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION. (ASSUME A VOLUME OF 4.5 FT3).
- F. REPAIR THE LONGITUDINAL JOINT CRACK WITH A PRODUCT EQUAL OR APPROVED EQUAL TO MASTERSEAL CR 195, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- G. AFTER ALL REPAIRS ARE DONE APPLY A PRODUCT TO SEAL THE CONCRETE SURFACES EQUAL OR APPROVED EQUAL TO MASTERSEAL 700CR, BY BASF. FOLLOW ALL THE MANUFACTURER'S REQUIREMENTS FOR THE APPLICATION.
- H. RECOAT SAFETY YELLOW PAINT ON DIKE'S EXTERIOR, HAND RAILS, AND STAIRS. PAINTS TO BE PROVIDED BY PREPA.
- I. DISPOSE OF DEBRIS AND CONTAMINATED WATER.
- D. REQUIREMENTS
1. ALL CHEMICAL PRODUCTS SHALL BE PREPA APPROVED OR PREPA CONDITIONALLY APPROVED.
  2. PRIOR TO PROJECT EXECUTION
    - A. LIST OF PERSONNEL AND EQUIPMENT.
    - B. DURING COVID-19 EMERGENCY, ALL PERSONNEL SHALL HAVE THEIR MEALS ON SITE. ONLY ONE PERSON IS ALLOWED TO EXIT PLANT'S PREMISES FOR MEALS OR FOOD.
    - C. THE CONTRACTOR SHALL FOLLOW PREPA'S SAFETY AND HEALTH PLAN

END OF SCOPE OF SUPPLY

o DURATION OF SERVICES - 60 DAYS

Main Power Transformers 4, 5 and 6  
Dikes Repair Works Costa Sur Power Plant

TERMS AND CONDITIONS





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### ARTICLE 1. Scope of Work

The Contractor shall furnish and provide all work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Main Power Transformers 4, 5 and 6 dikes repair works at South Coast Power Plant. . In accordance with the specifications stated in Annex 1 herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

### Article 2. Definitions

Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

- 2.1 Contracting Officer - shall mean the Chief Executive Officer/Executive Director of PREPA, acting directly or through his properly authorized agents.
- 2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):
  - a. Contract
  - b. Terms and Conditions
  - c. Special Conditions and Technical Specifications
  - d. Instructions to Proponents
  - e. Questions and Answers during the procurement process
  - f. Contractor's Proposal
  - g. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.

In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.

- 2.3 Completion Date - date in which all tasks and project scope had completed.
- 2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.
- 2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.
- 2.6 Final Acceptance - shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.
- 2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving





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authority to begin the Work or separate portions of the Work, as established in this Contract.

2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.

2.9 Special Conditions - are all the specific requirements, regulations and/or directions covering particular conditions of the project.

2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.

2.11 Environmental Compliance Officer - PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.

2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

### ARTICLE 3: Consideration

The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed \$85,212.00. PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation for Main Power Transformers 4, 5 and 6 dikes repair works of South Coast Power Plant including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.





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The invoices submitted by Contractor must be approved by the Engineer, and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents. PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's approval.

Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment. All invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

No interest Certification:

Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Contract or a waiver has been previously obtained. I, also certify that the only consideration to provide the services under this Contract is the payment agreed with PREPA's authorized representative.

The total amount of this invoice is fair and correct. The works were completed, the services were provided and no payment has been received for said concept.

Contractor's Signature

Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17563-555-354.

ARTICLE 4: Commencement, Prosecution and Completion of Work

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work





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performed without the Engineer's approval will not be subject to payment by PREPA.

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).

The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

### Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

### ARTICLE 5: Suspension of Work

The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.

### ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called for or shown in both. In case of any difference between drawings and Specifications, the specifications shall govern. In case of 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 he has received written orders from the Engineer. The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

### ARTICLE 7: Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by PREPA may include, but not limited to, changes:

1. In the specifications including drawings and design.





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2. In the method or schedule of performance of the Works.
3. Acceleration in the performance of the Works.

Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agreed by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection with such change to equitably adjust: Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to, when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.

### ARTICLE 8. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and store their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of the entire services requires the use of PREPA's own forces or by other contractors, 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.

### ARTICLE 9: Inspection





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### 9.1.1 Periodic Inspection

All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.

The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers. Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

### 9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the Completion Date of the Work or any separable part thereof under the





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Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work. The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.

### ARTICLE 10. Submittals

The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals, including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith.

Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

### ARTICLE 11: Superintendence by the Contractor

Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the





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Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

### ARTICLE 12: Sanitary Facilities

The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

### ARTICLE 13: Access to Work

The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

### ARTICLE 14: Force Majeure

The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event. Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority, provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.

The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

### ARTICLE 15: Penalties for Delays

If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of \$1,000.00 for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as





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above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.

In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only to appeal by the Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities

#### 16.1 Civil Responsibility

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

#### 16.2 Indirect or Consequential Damages

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

#### 16.3. Direct Damages to PREPA's Property

The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and





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protection of all materials, equipment and work performed until completion of Work.

#### 16.4. Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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, Contractor agrees to comply with all applicable local and federal laws and regulations.

#### 16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

#### 16.6. Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA. If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by the Contractor.

#### ARTICLE 17: Independent 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 not be considered as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.

#### ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party:  
(i) becomes insolvent, or (ii) substantially breaches a material





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obligation, which does not otherwise have a specified contractual remedy. If PREPA terminates the Contract, PREPA shall pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.

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.

### ARTICLE 19: 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:

#### 19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:

The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the





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Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.

### 19.2 Commercial General Liability Insurance:

The Contractor shall provide a Commercial General Liability Insurance with limits of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

### 19.3 Commercial Automobile Liability Insurance:

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

### 19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

#### Requirements Under the Policies:

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

#### a. As Additional Insured:

Puerto Rico Electric Power Authority  
Risk Management Office  
PO Box 364267

San Juan, PR 00936-4267

b. A 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 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."

#### Bonds:

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





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a. A Performance Bond in the amount of one hundred percent (100%) of the Contract Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms

### Furnishing of Policies:

All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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 20: Permits and Licenses

The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.

### ARTICLE 21: Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

### ARTICLE 22. Transfer of Funds

If Contractor decides to assign or transfer an amount, due or payable, to





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which he is entitled for services rendered or goods provided during the term of this Contract, 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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.

### ARTICLE 23: Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests.





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If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.

### ARTICLE 24: Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

### ARTICLE 25: Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

### ARTICLE 26: Minimum Wage Rates

Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

### ARTICLE 27: Unfair Labor Practice

In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools, and appliances on the job site and finish the work by whatever method it may deem expedient.

Any declaration by the Puerto Rico Labor Relations Board and/or by the





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National Labor Relation Board that the Contractor or its 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: Assignment

The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions.

Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) 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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.

If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22 Transfer of Funds, of this Contract, shall apply.

### ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

### ARTICLE 30: Novation

The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

### ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or





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unpatented invention, article, or appliance manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.

### ARTICLE 32: Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

### ARTICLE 34: Disputes

All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within 10 days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within 10 days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages. In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.





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### ARTICLE 35: Laws to be Observed

Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of 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 16, Liabilities, of this Contract. All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

### ARTICLE 36: Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

### ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.

### ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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 39: Discrimination

The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant





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for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

### ARTICLE 40: Warranty

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall extend the applicable warranty period.

If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.

The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.

### ARTICLE 41: Notice

Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention:





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PREPA's Generation Director

To Contractor: [Contractor's Name]  
[Mailing Address]

Attention: [Contractor's representative]

### ARTICLE 42: Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

### ARTICLE 43: Cleaning Up

The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations.

Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

### ARTICLE 44: Safety Provisions

44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's 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 from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.
- b. It shall establish the mechanisms used to update and audit compliance with itself.
- c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.

44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
- b. Description of the activities
- c. Occupational safety and health considerations to be addressed before commencement of the project.
- d. Procedures for achieving compliance with the applicable regulations,





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including, but not limited to:

- i. Occupational Exposure to Lead (29 CFR 1926.62)
  - ii. Scaffolds (29 CFR 1926 Subpart L)
  - iii. Confined Spaces (29 CFR 1910.146)
  - iv. Occupational Exposure to Noise (29 CFR 1910.95)
  - v. Hazardous Materials (29 CFR 1910 Subpart H)
  - vi. Personal Protective Equipment (29 CFR Subpart I)
  - vii. Hazard Communication (29 CFR 1910.1200)
  - viii. HAZWOPER (29 CFR 1910.120)
  - ix. Fire Protection (29 CFR 1910 Subpart L)
  - x. Commercial Diving (29 CFR 1910 Subpart T)
  - xi. Respiratory Protection (29 CFR 1910.134)
  - xii. Fall Protection (29 CFR 1926 Subpart M)
  - xiii. Electrical (29 CFR 1926 Subpart K)
  - xiv. Welding (29 CFR 1926 Subpart J)
  - xv. Excavations (29 CFR 1926 Subpart P)
  - xvi. Demolitions (29 CFR 1926 Subpart T)
  - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)
  - xviii. Ventilation (29 CFR 1926.57)
  - xix. Tools, Hand, and Powered (1926 Subpart I)
  - xx. Electric Industry (29 CFR 1910.269)
  - xxi. Lockout/Tagout (29 CFR 1910.147)
  - xxii. Asbestos (29 CFR 1910.1001)
- e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.
- g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).
- h. Certification of compliance with medical surveillance requirements, according to scope of work.
- i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.
- j. Safety equipment and materials to be used during the project.
- k. Procedures to verify the work area after each work day and at the end of the project.
- l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is





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required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.

m. 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.

44.3 Before commencement of work, the Contractor shall take part in a coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.

44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.

44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.

44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.

44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.

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

44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the





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care, custody or control of the Contractor or any of his subcontractors.

44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.

44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry. Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.

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

44.13 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.

44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.

44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.

44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.

44.17 PREPA may unilaterally 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 on this Contract upon thirty (30)





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days of a written notice to Contractor.

### ARTICLE 45: Environmental Conditions

45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on, under, or about the project site, Contractor shall promptly notify PREPA in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.

45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit





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required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

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

45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.

45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.

45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.

45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).

45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation





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Center and project area clean and organized.

45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.

45.13 The contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.

45.14 All work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the Spill Prevention and Control and Countermeasure Plan (SPCCP).

45.15 The Contractor shall submit work plan and a spill prevention plan to the Environmental Engineer (SPCCP). The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.

45.16 All chemical products to be used shall be classified as "Approved" or "Conditional Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises.

45.17 The Contractor, upon completion of the work, must leave all the work area clean, organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.

45.18 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.

45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.

45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).

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

45.22 All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.





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- 45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.
- 45.24 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.
- 45.25 All the construction and disposal materials shall be covered to avoid rainfall exposure during the work activities.
- 45.26 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 in the project. This report will include a copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.
- 45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be caused by process or work operations.
- 45.28 The Contractor shall be responsible to obtain all the necessary permits for the proposed activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).
- 45.28 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the state and federal codes for regulatory, warning and guide signs.
- 45.29 Water flooding of trenches with potable water will not be permitted.
- 45.30 All paints applied by sprayers shall be of a water-based type.
- 45.31 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.
- 45.32 Contractor shall take whatever steps, procedures, or means to prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.
- 45.33 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.
- 45.34 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.





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45.35 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.

#### ARTICLE 46: Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

#### ARTICLE 47. Quality Assurance

The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes, tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and properly implemented.

The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.

#### ARTICLE 48: Compliance with the Commonwealth of Puerto Rico Contracting Requirements





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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.

A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of

Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years.

The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending

OE-1991-24, the Contractor will certify and warrant 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. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and Sub Contractor 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.

C. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify 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, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the





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MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA. 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 with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by 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 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.

D. Treasury Department Certification: The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that 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.

E. The Contractor shall provide a copy of Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.

F. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.

G. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME)).

H. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.

I. The Contractor shall present a Good Standing Certificate issued by the

Puerto Rico Department of State.

J. Social Security and Income Tax Retentions: In compliance with





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Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.

K. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury Department (known in Spanish as Departamento de Hacienda de Puerto Rico). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

L. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.

M. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, 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/he immediate family (spouse, dependent children or other members of his/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 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.;

N. Act. 168-2000: Law for the Strengthening of the Family Support and 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 168-2000, as amended, the same is current and in all aspects in compliance.

Act 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.

O. Act. 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of 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 Act. No. 18 of





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October 30, 1975, as amended.

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

Q. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.

R. Anti-Corruption Code for a New Puerto Rico: 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 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.

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.

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.

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, 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.

S. Prohibition with respect to execution by public officers: (3



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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.

T. Prohibition with respect to contracting with officers or employees:  
(3 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.

U. 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.

V. Prohibition with respect to evaluation and approval by public officers:  
(3 L.P.R.A. 8615(f)):

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.

W. Prohibition with respect to execution by public officers contracts with 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.

X. Provisions Required under Act 14-2004: Contractor agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by





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agents established in Puerto Rico shall be used when the service is rendered, if they are available.

Y. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor expressly agrees that the conditions outlined above and 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 enough cause for PREPA to terminate this Contract.

ARTICLE 49: Termination by the Chief of Staff of the Governor of Puerto Rico and Interagency Services

The Chief of Staff shall have the authority to terminate this Contract at any time. PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.

Both Parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Agreement. For the purpose of this clause, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities, and public corporations.

ARTICLE 50: Compliance with Applicable Federal Law, Regulations And Executive Orders. [REQUIRED FOR AGREEMENTS FUNDED IN WHOLE OR IN PART WITH FEMA and CDBG-DR FUNDS]

Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).

A. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work 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. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefor shall be





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liable for the unpaid wages. In addition, such contractor and 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 section, in the sum of \$27 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 section.

C. Withholding for unpaid wages and liquidated damages. PREPA 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 prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

D. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) through (D) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime 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 section.

Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies 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 so certify to the tier above it. 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 (COR3). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.

Remedies. 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





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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. Upon a material breach by Contractor, PREPA may utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommend suspension and debarment. Clean Air Act and the Federal Water Pollution Control Act.

A. 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.

B. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the COR3, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

C. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

Changes. At any time changes in the Services or work to be performed within the general scope of this Contract may be made in accordance with Article 7, Changes/Extra Work; provided, however, that no changes shall be made to the scope of the Services 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 or any other U.S. federal agency.

Sufficiency of Funds. The Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Agreement. FEMA Disaster Assistance Survivor/Registrant Data.

A. If the Contractor has access to Disaster Assistance Survivor/Registrant data or any other personally identifiable information,





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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 harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse judgments arising from the Contractor's failure to comply with the requirements under this contract.

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.

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.

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 days of





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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. Debarment, Suspension, and Ineligibility.

A. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor represents and warrants that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Contractor further 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 of this Contract, the Contractor will 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. The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

C. 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, an 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.

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

Review of Laws. The Contractor certifies 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 will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Contractor was able to find it online and read it as required.

Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations.

A. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, 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. Failure by the Contractor to provide information necessary





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to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.

B. Applicable Regulations and Policy. 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) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
- (3) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.

Access to Records.

A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, 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 directly pertinent 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 Administrator, the Secretary of HUD, or his authorized representatives access to work sites pertaining to the work being completed under the Contract.

Retention requirements for records. 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 years from the date of submission by PREPA or the Puerto Rico Emergency Management Agency, on PREPA's behalf, of the final expenditure report for disaster declaration FEMA-4339-DR-PR, as reported to FEMA. 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. It is the responsibility of the Contractor to inquire of PREPA whether the aforementioned final expenditure report has been submitted.

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.

Procurement of Recovered Materials. In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired-

A. Competitively within a timeframe providing for compliance with the Contract performance schedule;





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- B. Meeting Contract performance requirements; or
- C. 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>. 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.

Equal Employment Opportunity. During the performance of this Contract, the Contractor agrees as follows:

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

C. The Contractor will 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 will send to each labor union or representative of workers with which it has a collective bargaining Contract or other





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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 will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.

F. The Contractor will 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 will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor 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 will 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 will be binding upon each subcontractor or vendor. The Contractor will 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.

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.

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



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term of this Contract.

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.

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 his 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.

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. Compliance with Laws, Regulation and Executive Orders. The Contractor acknowledges that FEMA financial assistance will be used to fund this Contract. The Contractor shall comply will all applicable Federal and Government of Puerto Rico 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 regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

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.

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

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.

No Obligation by the Federal Government. PREPA and the Contractor acknowledge and agree that the Federal Government is not a party to this





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Contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from the contract.

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.

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.

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.

Davis Bacon Act And Copeland Anti-Kickback Act

A. Contractor. 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, which are incorporated by reference into this Contract.

B. Subcontracts. Contractor or subcontractors shall insert in any subcontracts the clause above and such other clauses as FEMA or HUD may by appropriate instructions require, and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

C. Breach. 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.

HUD 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 CFR 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. Contractor agrees to send to each labor organization or representative of workers with which Contractor has a collective





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

D. Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 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 CFR part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

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

F. Noncompliance with HUD's regulations in 24 CFR 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 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).

### 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





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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. Section 3 minimum contracting goals. 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);





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- (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. Eligibility for preference. 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 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.

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 1 (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





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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





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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





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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 1(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 1(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 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 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





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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





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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





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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. Subcontracts. 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.

I. 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. Disputes concerning labor standards. 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





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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.

(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 1010, 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. Complaints, Proceedings, or Testimony by Employees. 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. Health and Safety. 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



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Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

Buy American-Construction Materials Under Trade Agreements (Oct 2016)

A. Definitions. As used in this Article-

1. 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-

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

b. Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.

3. 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





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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 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);
- b. 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
- 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-

- 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.

9. 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-





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- 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.
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 (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.





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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



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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) <sup>1</sup>
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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).

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





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<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.

### ARTICLE 51: Correlation of Documents

In case of discrepancy or in the event of conflict among the different Contract documents such as: Contract and the Contractors Proposal, these shall take precedence in the order given. The terms and conditions contained in the Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Proposal.

Amendment: 002 Execution Date : 07/06/2020  
Title : EXTENSION DE VIGENCIA DE CONTRATO REPARACION DIQUES MPT'S CS  
Amended Start : Amended End Date: 08/31/2020  
Amendment Value: \*\* NOT TO EXCEED \*\*  
Pricing Method :

#### *Amendment Scope*

##### ENMIENDA # 2

SE EMITE ESTA ENMIENDA PARA EXTENDER LA VIGENCIA DE ESTE CONTRATO HASTA EL 31 DE AGOSTO DE 2020. ESTO DEBIDO A SITUACIONES ENCONTRADAS EN EL CAMPO QUE SON RESPONSABILIDAD DE LA AEE REPARAR. EL MONTO TOTAL DEL CONTRATO SE MANTIENE INALTERADO. ESTA ENMIENDA FUE DEBIDAMENTE APROBADA POR EL DIRECTOR DE GENERACIÓN, ING. DANIEL HERNÁNDEZ.  
TODOS LOS DEMÁS TÉRMINOS, CONDICIONES Y ESPECIFICACIONES QUE NO HAYAN SIDO MODIFICADOS POR ESTA ENMIENDA QUEDAN INALTERADOS.

Amendment: 003 Execution Date : 08/28/2020  
Title : EXTENSION DE VIGENCIA DE CONTRATO REPARACION DIQUES MPT'S CS  
Amended Start : Amended End Date: 10/16/2020  
Amendment Value: \*\* NOT TO EXCEED \*\*  
Pricing Method :

#### *Amendment Scope*

##### ENMIENDA # 3

SE EMITE ESTA ENMIENDA PARA EXTENDER LA VIGENCIA DE ESTE CONTRATO HASTA EL 16 DE OCTUBRE DE 2020. ESTO DEBIDO A PROBLEMAS CON LA DISPONIBILIDAD DE LOS PRODUCTOS PARA TERMINAR EL PROYECTO. EL MONTO TOTAL DEL CONTRATO SE MANTIENE INALTERADO. ESTA ENMIENDA FUE DEBIDAMENTE APROBADA POR EL DIRECTOR DE GENERACIÓN, ING. DANIEL HERNÁNDEZ.  
TODOS LOS DEMÁS TÉRMINOS, CONDICIONES Y ESPECIFICACIONES QUE NO HAYAN SIDO MODIFICADOS POR ESTA ENMIENDA QUEDAN INALTERADOS.

\* \* \* End of Contract \* \* \*





**Attachment C**  
*(Redacted version submitted under seal)*

## Department of Homeland Security Federal Emergency Management Agency

### General Info

<b>Project #</b>	171517	<b>P/W #</b>	697	<b>Project Type</b>	Specialized
<b>Project Category</b>	F - Utilities	<b>Applicant</b>	PR Electric Power Authority (000-UA2QU-00)		
<b>Project Title</b>	Costa Sur Power Plant Discharge Channels		<b>Event</b>	4473DR-PR (4473DR)	
<b>Project Size</b>	Small	<b>Declaration Date</b>	1/16/2020		
<b>Activity Completion Date</b>	1/16/2024	<b>Incident Start Date</b>	12/28/2019		
<b>Process Step</b>	Obligated	<b>Incident End Date</b>	7/3/2020		

### Damage Description and Dimensions

The Disaster # 4473DR, which occurred between 12/28/2019 and 07/03/2020, caused:

#### Damage #431138; Intake and Discharge Channels

The Discharge Channel is a waterfront facility and was built in a zone susceptible to liquefaction. The structure was built using a combination of sheet piles and anchored reinforced concrete walls built on both sides. The top wall was anchored using helical piles as tiebacks. The project designer considered vertical helical piles as foundation support of the reinforced concrete walls.

#### General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** PR Electric Power Authority
- **Facility Description:** Natural Gas powered Electric Power Generating Facility: "Intake and Discharge Channels"
- **Approx. Year Built:** 1960
- **Location Description:** PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656
- **GPS Latitude/Longitude:** [REDACTED]

#### General Damage Information:

- **Date Damaged:** 12/28/2019
- **Cause of Damage:** A series of seismic events began in Puerto Rico on December 28, 2019 which included a major event of magnitude 6.4 on the Richter scale on January 7, 2020 and subsequent aftershocks have followed since. The seismic events caused great damage to Puerto Rico's infrastructure within the disaster declared areas. The official DR-4473 disaster declaration date was January 16, 2020.

#### Facility Damage:

##### Site #1: Retaining and Sheet Pile Wall (West side):

- Retaining Wall, 1 each of Concrete Retaining Wall Longitudinal cracks between retaining wall and pile cap (between 1/16 in and 1/4 in thick) (Angle crack) , 203.5 LF long x 0.25 IN wide x 1.5 IN deep, Damage is the result of ground movement induced by earthquake seismic forces. (see photos: 1 – 2 of 14), 0% work completed.
- Retaining Wall, 6 each of Concrete Retaining Wall Vertical Crack: Damaged asphalt joint, 6 FT high (two sides) + 13 IN on top of wall = , 13.083 LF long x 1 IN wide, Damage is the result of ground movement induced by earthquake seismic forces. (see Photos 3 of 14), 0% work completed.



- Retaining Wall, 4 each of Concrete Retaining Wall Vertical crack (Small Cracks) , 13.083 LF long x 0.25 IN wide x 1.5 IN deep, Damage is the result of ground movement induced by earthquake seismic forces. (see Photo 4 of 14), 0% work completed.
- Near sheet pile, 1 each of Concrete Retaining Wall Longitudinal crack on Pile cap (between 1/16 in and 1/4 in) , 97.8 LF long x 0.25 IN wide x 1.5 IN deep, Damage is the result of ground movement induced by earthquake seismic forces. (See photo 5-6 of 14), 0% work completed.
- Near sheet pile (Small segment), 1 each of Sheet Pile Retaining Wall Longitudinal crack on Pile cap (1/2 in) , 4 LF long x 0.5 IN wide x 1.5 IN deep, Damage is the result of ground movement induced by earthquake seismic forces. (See photo 12-13 of 14), 0% work completed.

**Site #2: Retaining and Sheet Pile Wall (East side):**

- Retaining Wall, 1 each of Concrete Retaining Wall Longitudinal crack: separation between pile caps. Two Pile caps were previously built and a separation formed between them (between 1/4 in and 1 in), 166 LF long x 2 IN wide x 1 FT deep, Damage is the result of ground movement induced by earthquake seismic forces. (See photo 8 of 14), 0% work completed.
- Retaining Wall, 10 each of Concrete Retaining Wall Vertical Crack: Damaged asphalt joint 6 FT high (two sides) + 13 IN on top of wall = , 13.083 LF long x 1 IN deep, Damage is the result of ground movement induced by earthquake seismic forces. (See photo 9 of 14), 0% work completed.
- Retaining Wall, 18 each of Concrete Retaining Wall Vertical crack (Small Cracks on pile cap) , 13.083 LF long x 0.25 IN wide x 1.5 IN deep, Damage is the result of ground movement induced by earthquake seismic forces. (See photo 10 of 14), 0% work completed.
- Site #2: Retaining and Sheet Pile Wall (East side), 1 each of Concrete Retaining Wall Longitudinal crack on Pile cap (between 1/16 in and 1/4 in) , 96 LF long x 0.25 IN wide x 1.5 IN deep, Damage is the result of ground movement induced by earthquake seismic forces. (See photo 11 of 14), 0% work completed.

**Site #3: Retaining and Sheet Pile Wall (West and East side):**

- Concrete Blocks, 10 each of Concrete Retain Wall Concrete Blocks , 1.5 FT long x 1 FT wide x 1 FT thick, Damage is the result of ground movement induced by earthquake seismic forces. (See photo 14 of 14), 0% work completed.

1. *As per the Geotechnical report submitted by the applicant, the damage observed in the Discharge Channel structure are typical effects of liquefaction induced ground movement. In the case of the liquefaction of soil in front of the sheet pile, the passive pressure of the front side is reduced. Moreover, when the soil behind the wall liquefies the pressure exerted to the walls increases. The pressure increment will induce the wall to slide outward or tilt towards the water. Liquefaction of the soil behind the wall may also affect the stability of the tieback helical anchors. Evidence of this case is that some of the grout protection blocks of the helical anchors were broken due to the exerted pressures. (Geotechnical Report Document Name: 171517-DR4473PR- General Document, Grants Manager Document Description: \_Final Geotechnical Report\_EEI-20-03416\_CECS\_09082020\_MAR\_EEI, page 41)*
2. *As per applicants Engineers, as side effect of the earthquake the area experienced liquefaction, lateral spreading, differential settlements and bearing capacity reduction. These phenomena induce in the rearrangement of the soil particles. and decrease the angle of the internal friction (residual) of the soils. This angular reduction increases the lateral loads that are affecting both walls. When we mention walls, we are referring to the existing sheet piles and both walls that are anchored. We observed cracks in the embankment of the west side and differential settlements at back side of the wall (west side). Due to these observed soil-earthquake symptoms, the structural integrity of the west and east walls was affected and lost, partially, the capacity to resist the design loading condition in the pre-earthquake condition and subsequently post-earthquake. This current circumstance moves the proposed MOR to a reparation procedure because the demolition and re-construction of the channel is excessively expensive. (Explicative Narrative Document Name: 171517-DR4473PR-General Document, Grants Manager Document Description: Answer\_Narrative Letter\_CSPP\_Discharge Channel\_EEI\_10222021, page 2)*

# Final Scope

## 431138 Intake and Discharge Channels

### Work to be completed

The applicant will utilize contracts and (or) force accounts for repairs to Intake and Discharge Channels in Guayanilla, PR 00656 to restore facilities back to pre-disaster design, function, and capacity (in-kind) within the existing footprint.

### Facility Damages:

#### Site #1: Retaining and Sheet Pile Wall (West side):

- A. Repair 1 each of longitudinal crack between concrete retaining wall and pile cap of 203.5 FT Long x 0.25 IN Wide x 1.5 IN deep.
- B. Repair 6 each of asphalt joint of 6 FT High, 13.083 FT Long x 1 IN Wide.
- C. Repair 4 each of vertical cracks (small cracks) of 13.083 FT Long x 0.25 IN Wide x 1.5 IN Deep.
- D. Repair 1 each of longitudinal crack near sheet pile on pile cap of 97.8 FT Long x 0.25 IN Wide x 1.5 IN Deep.
- E. Repair 1 each of longitudinal crack near sheet pile (Small Segment) on pile cap of 4 FT Long x 0.5 IN Wide x 1.5 IN Deep.

#### Site #2: Retaining and Sheet Pile Wall (East side):

- F. Repair 1 each of longitudinal crack separation between pile cap of 166 FT Long x 2 IN Wide x 1 FT Deep.
- G. Repair 10 each of asphalt joint of 6 FT High, 13.083 FT Long x 1 IN Wide.
- H. Repair 18 each of vertical cracks (small cracks) of 13.083 FT Long x 0.25 IN Wide x 1.5 IN Deep.
- I. Repair 1 each of longitudinal crack on pile cap of 96 FT Long x 0.25 IN Wide x 1.5 FT Deep.

#### Site #3: Retaining and Sheet Pile Wall (West and East side):

- J. Repair 10 each of concrete block of 1.5 FT Long x 1 FT Wide x 1 FT Thick.

**Work to be Completed Total: \$54,865.97**

**A&E Cost: \$11,710.14**

**Project Total Cost: \$66,576.11**

### Project Notes:

1. All site estimates for work to be completed were generated using RS means. See attachment labeled: ST-171517-DR4473PR-Cost.xls.
2. The A&E + Repairs costs were included as requested. Please, refer to the labeled document: SP-171517-DR4473PR- A&E Clarification.pdf.
3. GPS coordinates have been checked for accuracy.
4. Applicant will comply with local, commonwealth, federal procurement laws, regulations, and procedures. For work to be completed, the applicant is required to obtain any necessary Federal, State, and Local environmental permits prior to the start of construction.
5. Please look for Maintenance Records in applicant's section. See document labeled "Maintenance records-procedures Doc (1).pdf".
6. All procurement documents attached have been reviewed and will be in accordance with state and federal requirements. See attached document labeled "PREPA Emergency Procurement Procedure and Resolution 4598.pdf" and "171517-DR4473PR- Proceso Adquisiciones Bienes y Servicios a traves de RFP.pdf".
7. Refer to document labeled "171517 DR4473 PDMG DR4473 and DR4339 analysis for RFI\_Signed.pdf" for duplicity report analysis.

## 406 HMP Scope

There is no feasible Cost Effective Hazard Mitigation Measure identified for this project.



## Cost

Code	Quantity	Unit	Total Cost	Section
3510 (Engineering And Design Services)	1.00	Lump Sum	\$11,710.14	Uncompleted
9001 (Contract)	1.00	Lump Sum	\$54,865.97	Uncompleted

CRC Gross Cost \$66,576.11

Total 406 HMP Cost \$0.00

Total Insurance Reductions \$0.00

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CRC Net Cost \$66,576.11

Federal Share (90.00%) \$59,918.50

Non-Federal Share (10.00%) \$6,657.61

## Award Information

### Version Information

Version #	Eligibility Status	Current Location	Bundle Number	Project Amount	Cost Share	Federal Share Obligated	Date Obligated
0	Eligible	Awarded	PA-02-PR-4473-PW-00697(1247)	\$66,576.11	90 %	\$59,918.50	5/6/2022

### Drawdown History

EMMIE Drawdown Status As of Date	Obligation Number	Expenditure Number	Expended Date	Expended Amount
No Records				



## Subgrant Conditions

- As described in Title 2 Code of Federal Regulations (C.F.R.) § 200.333, 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 (3) 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 subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. Exceptions are stated in 2 C.F.R. §200.333(a) – (f)(1) and (2). All records relative to this project are subject to examination and audit by the State, FEMA and the Comptroller General of the United States and must reflect work related to disaster-specific costs.
- In the seeking of proposals and letting of contracts for eligible work, the Applicant/Subrecipient must comply with its Local, State (provided that the procurements conform to applicable Federal law) and Federal procurement laws, regulations, and procedures as required by FEMA Policy 2 CFR Part 200, Procurement Standards, §§ 317-326.
- The Recipient must submit its certification of the subrecipient's completion of all of its small projects and compliance with all environmental and historic preservation requirements within 180 days of the applicant's completion of its last small project, or the latest approved deadline, whichever is sooner.
- When any individual item of equipment purchased with PA funding is no longer needed, or a residual inventory of unused supplies exceeding \$5,000 remains, the subrecipient must follow the disposition requirements in Title 2 Code of Federal Regulations (C.F.R.) § 200.313-314.
- The terms of the FEMA-State Agreement are incorporated by reference into this project under the Public Assistance award and the applicant must comply with all applicable laws, regulations, policy, and guidance. This includes, among others, the Robert T. Stafford Disaster Relief and Emergency Assistance Act; Title 44 of the Code of Federal Regulations; FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide; and other applicable FEMA policy and guidance.
- The DHS Standard Terms and Conditions in effect as of the declaration date of this emergency declarations or major disaster, as applicable, are incorporated by reference into this project under the Public Assistance grant, which flow down from the Recipient to subrecipients unless a particular term or condition indicates otherwise.
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements set forth at Title 2 Code of Federal Regulations (C.F.R.) Part 200 apply to this project award under the Public Assistance grant, which flow down from the Recipient to all subrecipients unless a particular section of 2 C.F.R. Part 200, the FEMA-State Agreement, or the terms and conditions of this project award indicate otherwise. See 2 C.F.R. §§ 200.101 and 110.
- The subrecipient must submit a written request through the Recipient to FEMA before it makes a change to the approved scope of work in this project. If the subrecipient commences work associated with a change before FEMA approves the change, it will jeopardize financial assistance for this project. See FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide.
- Pursuant to section 312 of the Stafford Act, 42 U.S.C. 5155, FEMA is prohibited from providing financial assistance to any entity that receives assistance from another program, insurance, or any other source for the same work. The subrecipient agrees to repay all duplicated assistance to FEMA if they receive assistance for the same work from another Federal agency, insurance, or any other source. If an subrecipient receives funding from another federal program for the same purpose, it must notify FEMA through the Recipient and return any duplicated funding.

## Insurance

### Additional Information

4/11/2022

#### GENERAL INFORMATION

Event: DR4473-PR

Project: SP 171517

Category of Work: Cat F - Utilities

Applicant: PR Electric Power Authority

Event Type: Earthquake / Earthquake Guayanilla

Cause of Loss: Earthquake

Incident Period: 12/28/2019 to 7/3/2020

Total Public Assistance Amount: Repairs Amount \$66,576.11

**COMMERCIAL INSURANCE INFORMATION**

Does the Applicant have a Commercial Policy: Yes

Policies Issued by: Mapfre, Willis Towers Watson and Multinational Insurance Company

Policies Numbers: Mapfre Praico Insurance Company (1398198000640)

Willis Towers Watson (B0804Q21251F19, B0804Q21426F19, B0804Q18529F19, B080423147F19, B0804Q11038F19, B0804Q23134F19, B0804Q23124F19, B0804Q18529F19, B0804Q23133F19, B0804Q21271F19, B0804Q21426F19, B0804Q14312F19)

Multinational Insurance Company (CP-319974-1, CP-319970-1, CP-327903-0, CP-319973-1, CP-327905-0, CP-319979-1, CP-318673-2, CP-319971-1, CP-327902-0, CP-327901-0, CP-318677-2, CP-319968-1)

Policy Period: From: Mapfre 5/31/2019 To: 5/31/2020

Policy Limits: \$300,000,000.00 combined single limit property damage and business interruption each and every occurrence which in turn excess of policy deductibles each and every occurrence.

RCV or ACV: Replacement Cost Value

Deductible Amount: \$25,000,000.00 each and every occurrence property damage and 30 days each and every occurrence business interruption in respect of Named Windstorm and Earthquake.

Does the Applicant's Commercial Policy extend coverage for the damage described in this project: Yes

The amount of the deductible being funded in this project is \$66,576.11

Final Insurance Settlement Status: Damages for this project do not exceed the deductible

The amount of Anticipated Insurance Reduction applied for Project: \$0.00

**NUMBER OF DAMAGED LOCATIONS INCLUDED IN THIS PROJECT: (1)**

**Damaged Inventory (DI) #431138:**

**Intake and Discharge Channels**

Number of damaged locations included in this DI: (1)

Location Description: PR-127 Km 15.7 Bo. Tallaboa, Guayanilla, PR 00656



GPS Coordinates: [REDACTED]

Cause of Loss: Earthquake

SOV / Schedule #: "Costa Sur Steam Plant"

SOV / Schedule Amount: \$1,350,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$66,576.11

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

Reduction(s):

FEMA's costing estimate is less than the deductible amount for this facility. The deductible in the amount of \$25,000,000.00 will be considered for funding as this portion would have been the responsibility of the applicant. Total applied deductible to this facility is \$66,576.11. Total remaining deductible \$24,933,423.89 (Deductible \$25,000,000.00 – Repairs cost \$66,576.11). No reduction is being made to this facility.

Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the Intake and Discharge Channels because facility does not meet the definition of building, equipment, contents, or vehicle.

Insurance Proceeds Statement:

FEMA acknowledges that the Applicant is in negotiations with their insurance carrier at the time of the FEMA insurance review and might have received partial settlements. In accordance with 44 CFR §206.250-253, in the absence of an actual settlement, anticipated insurance recoveries will be deducted from this project based on Applicant's insurance policy limits. FEMA subsequently adjusts the eligible costs based on the actual amount of insurance proceeds the Applicant receives after a final settlement.

FEMA's Recovery Policy FP 206-086-1, Public Assistance Policy on Insurance (June 29, 2015), requires applicants to take reasonable efforts to recover insurance proceeds that it is entitled to receive from its insurers. FEMA will consider final insurance settlements that may be less than the insurance policy limits when an applicant demonstrates that it has taken reasonable efforts to recover insurance proceeds that it is entitled to on a case-by-case basis.

Standard Insurance Comments

FEMA Policy 206-086-1

**PART 2: Other Insurance-Related Provisions. (Sections 312 and 406(d) of the Stafford Act)**

**A. Duplication of Benefits.** FEMA cannot provide assistance for disaster-related losses that duplicate benefits available to an applicant from another source, including insurance.

1. Before FEMA approves assistance for a property, an applicant must provide FEMA with information about any actual or anticipated insurance settlement or recovery it is entitled to for that property.
2. FEMA will reduce assistance to an applicant by the amount of its actual or anticipated insurance proceeds.
3. Applicants must take reasonable efforts to recover insurance proceeds that they are entitled to receive from their insurer(s).

Jean-Carlo Echevarria, PA Insurance Specialist, CRC Atlantic, Guaynabo, PR

## O&M Requirements

There are no Obtain and Maintain Requirements on **Costa Sur Power Plant Discharge Channels**.

## 406 Mitigation

There is no additional mitigation information on **Costa Sur Power Plant Discharge Channels**.

## Environmental Historical Preservation

Is this project compliant with EHP laws, regulations, and executive orders?

**Yes**

### EHP Conditions

- Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.
- This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize funding.
- If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archaeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.
- The Applicant shall handle, manage, and dispose of all types of hazardous waste in accordance with requirements of local, state, and federal laws, regulations, and ordinances. In addition, the Applicant shall ensure that all debris is separated and disposed of in a manner consistent with the PR DNER guidelines at a permitted site or landfill. The contractor/applicant will be responsible for the proper disposition of construction debris in authorized landfills providing the name, location, coordinates and permits of the facility to the corresponding authorities. \*. Unusable equipment, debris, white goods, scrap metal any other material shall be disposed of in an approved manner and location. In the event significant items are discovered during the implementation or development of the project the Applicant shall handle, manage and dispose petroleum products, hazardous materials and toxic waste in accordance to the requirements of the local and federal agencies. Noncompliance with these requirements may jeopardize receipt of federal funds. Source of condition: Resource Conservation and Recovery Act (RCRA)

### EHP Additional Info

There is no additional environmental historical preservation on **Costa Sur Power Plant Discharge Channels**.



## Final Reviews

### Final Review

**Reviewed By** MARTINEZ SANTIAGO, ISRAEL

**Reviewed On** 04/12/2022 5:22 PM AST

#### Review Comments

FEMA final completed. Project ready for Recipient Review.

### Recipient Review

**Reviewed By** Cintron, Jesus

**Reviewed On** 05/04/2022 5:48 PM AST

#### Review Comments

Review completed as SOW V0. A future SOW amendment to be presented for FEMA evaluation and approval.

## Project Signatures

**Signed By** Nieves, Ezequiel

**Signed On** 05/05/2022

2022-P00011

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY

CONTRACT 89554  
REHABILITATION WATER DISCHARGE CHANNEL  
AT THE COSTA SUR POWER COMPLEX.

APPEAR

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 83 of May 2, 1941, as amended (Act 83), represented in this act by its Executive Director, Efran Paredes Maisonet, of legal age, married, engineer, and resident of Bayamón, Puerto Rico.

AS SECOND PARTY: Gabriel Fuentes Jr. Construction Co., Inc. hereinafter referred to as "the Contractor", a corporation organized and existing under the laws of the Commonwealth of Puerto Rico, authorized to do business in Puerto Rico, represented in this act by its by its President, Jorge J. Fuentes Alvarez, of legal age, married, and resident of Guaynabo Puerto Rico, by virtue of Corporate Resolution dated as June 18 , 2021.

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

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, this Contract was awarded to the Contractor on March 30, 2021, by means of an emergency competitive process (RFP 0003007), Power Advocate Event Number 112183.

WITNESSETH

THEREFORE, IN CONSIDERATION of the mutual covenants hereinafter stated, the Parties agree themselves, their personal representatives, successors, and assignees, as follows:

TERMS AND CONDITIONS

ARTICLE 1. Scope of Work



The Contractor shall furnish and provide all engineering, design, work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the Rehabilitation of the Water Discharge Channel at the Costa Sur Power Complex. In accordance with the specifications stated in herein attached.

All the services described in this Article 1 shall be defined in this Contract as the "Works".

Article 2. Definitions


Whenever the words defined in this Article or their pronouns are used or mentioned in this Contract, they shall have the meanings here given:

2.1 Contracting Officer - shall mean the Chief Executive Officer/Executive Director of PREPA, acting directly or through his properly authorized agents.



2.2 Contract - shall mean, collectively, the documents listed below and all supplementary documents thereto that are incorporated by reference. In the event of a conflict between any such documents, the following descending order from top to bottom shall constitute the order of priority governing the interpretation of the Contract (beginning with the Contract as the top priority):

- a. Contract
- b. Terms and Conditions
- c. Special Conditions and Technical Specifications
- d. Instructions to Proponents
- e. Questions and Answers during the procurement process
- f. Contractor's Proposal
- g. Performance and Payment Bond as approved by PREPA's Risk Manager and Treasurer.

 In case of any difference between the terms and conditions of this Contract and the terms of Contractor's Proposals, the terms and conditions of this Contract shall govern.

2.3 Completion Date – date in which all tasks and project scope had completed.


2.4 Change Order - a written agreement between the Parties that sets out changes in price, time, or the Scope of Work.

2.5 Engineer - shall mean PREPA's Generation Director, acting directly or through his properly authorized agents.

- 2.6 Final Acceptance – shall mean written approval by PREPA that the entire work has been completed, the final cleaning up of the site has been performed and all Punch List items have been rectified.
- 2.7 Notice to Proceed - a written order sent to the Contractor by the Contracting Officer or the Engineer, notifying the contractor giving authority to begin the Work or separate portions of the Work, as established in this Contract.
- 2.8 Punch List - shall mean the list of non-conforming or incomplete works items identified by PREPA to be completed by the Contractor before the Final Acceptance of the Work.
- 2.9 Special Conditions – are all the specific requirements, regulations and/or directions covering particular conditions of the project.
- 2.10 Substantial Completion - shall mean the date certified by PREPA, that the Contractor shall reach the stage of completion of the Works, when PREPA accepts the safely use of the facility or the system for its intended purposes, even though all Work is not completed.
- 2.11 Environmental Compliance Officer – PREPA's personnel in charge of project inspections and environmental regulations compliance, who has the authority to stop the project execution until any environmental deficiencies or violations in the project, identified by PREPA or any environmental regulatory agency, are corrected.

2.12 Health and Security Officer - The Contractor and/or Subcontractor must provide a health and security officer on the project site, which will oversee the prevention of accidents, security enforcement program and work plan in coordination with PREPA's designated security officer. The Contractor or subcontractor security officer must be having, at least, 30 hours basic training in health standards and occupational security for construction projects, provided by a recognized institution approved by the Occupational Safety and Health Administration. The Contractor must install security barriers around the project boundaries to avoid non authorized personnel in the area.

ARTICLE 3: Consideration

 The Contract Amount is an estimate based in time and material rates. As compensation for services rendered under this Contract, PREPA and the Contractor agree that the total amount to be paid under this Contract shall not exceed five million seven hundred thousand dollars (\$5,700,000) (Contract Amount). PREPA shall have no obligation to pay the Contractor any amounts in excess of the Contract ceiling price. Contractor shall have no obligation to perform any work in excess of the Contract ceiling price. The Contractor will be the only one responsible for any works it or any of its subcontractors, if any, does in excess of the Contract Amount, unless otherwise agreed to in writing, signed by the Parties.

The rates quoted in Contractor's Proposal (Appendix A) shall constitute full compensation for Rehabilitation of the Water Discharge Channel at the Costa Sur Power Complex




including but, not limited to: labor, tools, equipment, other accessories, cost of all insurance, profit, Contractor's overhead, profit, taxes, etc.

The Contractor shall submit its invoices for work already done according to the payment schedule approved by the Engineer, together with the supporting documents.

The invoices submitted by Contractor must be approved by the Engineer and must be accompanied by the proper supporting documents (such as inspection certifications, work reports and third-party invoices, if any). No invoices shall be accepted for evaluation without the required documents.

PREPA reserves the right to deduct or withhold any payment under this Contract, until the Contractor complies with any debts or liabilities as a result of poor performance or negligence during the performance of the Works.

 All invoices shall be subject to PREPA's approval before being paid, and its payment shall be done within sixty (60) days after the date of PREPA's approval. PREPA shall retain ten percent (10%) of each payment until completion and acceptance of the Project.

Upon completion and Final Acceptance of all Works required hereunder, the amount due to the Contractor, under this Contract, will be paid upon the presentation of a properly executed and duly certified invoice the amount of such excepted claims is not included in the invoice for final payment.

All Invoices submitted by the Contractor shall include the following Certification in order to proceed with its payment. This is an essential requirement and those invoices without this Certification, will not be processed for payment.

**No Interest Certification:**

Under penalty of absolute nullity, I hereby certify that no employee, official or director of PREPA is a party or has any interest in the profits or benefits to be obtained under this Contract, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Contract or a waiver has been previously obtained. I, also certify that the only consideration to provide the services under this Contract is the payment agreed with PREPA's authorized representative.

The total amount of this invoice is fair and correct. The works were completed, the services were provided and no payment has been received for said concept.

Contractor's Signature

Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount by written amendment signed by both Parties.

The funds to pay for the services performed by the Contractor will come from account 01-1748-17568-555-354.

**ARTICLE 4: Commencement, Prosecution and Completion of Work**

PREPA will provide a mobilization letter to the Contractor, prior to begin the Work. All Work shall be performed on three hundred sixty-five (365) days on a continuous schedule, after the commencement date, specified by PREPA in the mobilization letter. All Work shall be previously coordinated with the Engineer. Any Work performed without the Engineer's approval will not be subject to payment by PREPA.

The Contractor will be responsible to obtain all the necessary permits for the Works, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All


copies of approved permits must be on the site project. The Contractor must submit a copy of the approved permits to PREPA's Environmental Protection Quality Assurance Division (EPQAD).

The Contractor must provide and install construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

#### Schedule of Proposed Progress

All work on a particular unit shall be carried out on a continuous schedule following the commencement date specified by PREPA.

#### ARTICLE 5: Suspension of Work



The Contracting Officer or the Engineer may, at any time, suspend the whole or any portion of the works under this Contract, by providing the Contractor with a written notice stating the reasons for the suspension, at least five (5) days in advance of the day the suspension. The right of PREPA to suspend the services shall not be construed as denying the Contractor reimburse for actual reasonable, and necessary expenses due to delays, caused by such suspension, it being understood that expenses will not be allowed for such suspension when ordered by the Contracting Officer or the Engineer on account of a force majeure event, as defined in Article 14, Force Majeure, of this Contract.

#### ARTICLE 6. Specifications and Drawings

Anything called for in the Specifications and not shown in the drawings, or shown in the drawings and not mentioned in the Specifications shall be deemed to have been called



for or shown in both. In case of any difference between drawings and Specifications, the specifications shall govern. In case of 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 he has received written orders from the Engineer.

The Engineer will, from time to time, furnish such additional detailed drawings or other information as he may consider necessary for carrying out the work.

ARTICLE 7: Changes and/or Extra Work

PREPA may, at any time, make changes or order extra work within the Scope of Work subject to previous written approval of the Contracting Officer. Changes requested by PREPA may include, but not limited to, changes:

1. In the specifications including drawings and design.
2. In the method or schedule of performance of the Works.
3. Acceleration in the performance of the Works.

Within ten (10) working days after receipt of PREPA's written Change Order (or such shorter or longer period of time as may be reasonably required as agreed by PREPA and the Contractor), Contractor shall promptly notify PREPA of the cost, schedule and other impact(s) Contractor anticipate as a result of the change. If PREPA agrees with the Contractor's statement as to the impact of the change, the Parties shall proceed promptly to enter into a written change order and amendment to the Contract, in connection with such change to equitably adjust: Contractor's cost (Increase or decrease), schedule

(lengthen or shorten), or other obligations under the Contract regarding such change. PREPA shall promptly notify Contractor in writing of the basis for any disagreement and PREPA and Contractor shall negotiate in good faith to resolve any issues in order to, when applicable, enter into a written change order to: equitably adjust Contractor's cost (increase or decrease), schedule (lengthen or shorten), or other obligations under the Contract regarding such change. The acceptance of the Change Order and an adjustment in the Contract Amount and/or Contract Term shall not be unreasonable withheld.

In order to facilitate review of quotations for extras or credits, all proposals submitted by Contractor in connection with a Change Order shall be accompanied with a complete breakdown of the costs including: labor, materials, equipment and subcontracts.


ARTICLE 8. Other Work at the Site

PREPA reserves the right to perform other work by force account and/or enter into other contracts related with these Works. The Contractor shall afford PREPA and the other contractors reasonable opportunity to introduce and storage their materials and execute their work and coordinate its work with theirs. If any part of Contractor's Work, depends for proper execution or results, upon the work of PREPA or of any other contractor, the Contractor shall inspect the works and promptly report to PREPA any defects in such work or any conflicts between such work and Contractor's Work, for PREPA to decide, if necessary, the course of action 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 opinion of PREPA, the orderly progress of the entire services requires the use of PREPA's own forces or by other contractors, 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.

ARTICLE 9: Inspection

9.1.1 Periodic Inspection



All material and workmanship (if not otherwise designated by the Specifications) shall be subject to inspection and test by PREPA's inspectors, at all reasonable times, during the performance of the Works. PREPA shall have the right to reject defective material, equipment or workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material and equipment shall be satisfactorily replaced with proper material and equipment, without charge to PREPA. The Contractor shall promptly remove rejected material from the premises. The Contractor shall furnish promptly all reasonable facilities, labor, materials, and equipment necessary for the safe and convenient inspection and tests that may be performed in such manners as not to unnecessarily delay the Work.



The Contractor must meet all the conditions and recommendations established by PREPA's Environmental, Health and Securities Officers.

Upon completion of the Work, the Contractor shall hand-in the Work area free of contaminants.

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#### 9.1.2 Final Inspection

Whenever all the materials have been furnished and all Work has been performed, including final cleaning up, as contemplated in Article 43, Cleaning Up, of this Contract, all in accordance with the Technical Specifications, the Contractor shall notify in writing the Engineer that the Work is completed and ready for Final Inspection. Final inspection shall occur within a ten (10) working days after the Engineer has received Contractor's notice of completion of Work.

After receipt the Contractor's notice, PREPA will notify it the exact date and time of the Final Inspection and Contractor shall schedule PREPA's specific time. If all the Work included in the Scope of the Contract, is found completed in accordance with the Specifications, this inspection shall constitute the Final Inspection and the Completion Date shall be the date of receipt of Contractor's notice of completion of Work. If, however, upon inspection by the Engineer it is found that any work, in whole or in part, is unsatisfactory, the Engineer shall give the Contractor the instructions as to replacement of material and performance of work necessary to final completion and acceptance, and the Contractor shall immediately comply with

and execute such instructions. Upon satisfactory replacement and performance of such work, the Contractor shall notify the Engineer, and another inspection shall be made which will constitute the Final Inspection if said material is found to have been acceptably replaced and the work completed satisfactorily. In such event, the date of receipt of this last Contractor's notice will be established as the Completion Date of the Work or any separable part thereof under the Contract. The Completion Date, thus established, shall be used in calculating the real time of performance of the Work.

The determination of whether a project is substantially completed is at the discretion of PREPA. This project shall be considered substantially completed when PREPA accepts the safe use of the facility or system for its intended purposes, even though not all work is completed. At this stage, the time for completion of the entire work shall cease and the accruing of penalties. However, the Contractor shall finish all items included in the Punch List before Final Acceptance of Services, including items listed in Article 2.10, Substantial Completion, of this Contract.

ARTICLE 10. Submittals

The Engineer shall evaluate submittals within ten (10) calendar days to mark them as disapproved; approved as corrected or approved. The Contractor is responsible to submit three (3) sets of the submittals. All disapproved submittals shall be corrected as required and resubmitted for PREPA's evaluation. In case of discrepancy in the submittals,

including Contractor's disagreement with corrections requested by the Engineer or PREPA, the matter shall be submitted to the Engineer, and the Contractor shall not proceed with the work so affected until the Parties resolve such discrepancy in good faith. Review or approval of Contractor's submittals shall in no way relieve the Contractor from its responsibilities, obligations or liabilities under this Contract. The Contractor shall obtain such reviews or approval in writing from PREPA. The Contractor shall keep at the site one hard copy of the Contract documents, Specifications and drawings, and shall give the Engineer access thereto. Anything called for in the Specifications and not shown, or shown on the drawings and not mentioned in the Specifications shall be of like effect as if called for or shown on both. All Work called for in the Specifications and/or shown on the drawings to be performed by the Contractor shall be performed in strict accordance with the Technical Requirements of the Specifications.

Before commencement of Work, the Contractor shall submit for PREPA's approval the Occupational Safety and Health Program, required in Article 44, Safety Provisions.

ARTICLE 11: Superintendence by the Contractor

Before commencement of the Work, the Contractor shall designate a qualified Site Manager, satisfactory to the Engineer, with the expertise and resources necessary to provide the management of the Work, at all times, during progress of the Work, with authority to act on its behalf. The Site Manager shall represent the Contractor on his absence and all directions given to him 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 his employees and shall not employ on the Work any unskilled person. In addition, the Contractor shall be fully responsible for the negligent or wrongful acts or omissions of subcontractors, if any, or of persons both directly or indirectly employed by the Contractor, and shall be liable to PREPA and/or any affected third parties for any acts or omissions.

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ARTICLE 12: Sanitary Facilities

The Contractor shall furnish and maintain satisfactory sanitary facilities for the use of the workers engaged in the Work, as required by law or regulations.

ARTICLE 13: Access to Work

The Contractor shall always permit all persons appointed or authorized by PREPA to visit and inspect the Work or any part thereof.

ARTICLE 14: Force Majeure


The Parties hereto shall be excused from performing hereunder and shall not be liable in damages or otherwise, if and only to the extent that they shall be unable to perform or are prevented from performing by a force majeure event. For purposes of this Contract, force majeure means any event not caused by the fault or negligence of, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event.

Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority,

provided that these events, or any other claimed as a force majeure event, and/or its effects, are beyond the reasonable control and were not caused by the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure has occurred shall be on the party claiming the force majeure.


The Contractor is responsible under a predicted force majeure event to take immediate action and employ emergency plans to avoid human hazards and protect public and private properties within or adjacent Work's areas.

ARTICLE 15: Penalties for Delays



If the Contractor fails to complete the work, or any separable part thereof, within the time established in the Article 4, Commencement Prosecution and Completion of Work, the Contractor shall pay to PREPA a penalty of two thousand three hundred dollars (\$2,300) for each day of delay up to a maximum of ten percent (10%) of the Contract Amount, and the Contractor and his sureties shall be jointly and several liable for said amount. In the event that the Contractor, due to his delay, had pay the total amount of the penalty as above mentioned, and has failed to complete the Work or any part separable thereof, it could be considered a breach of the Contract, and PREPA may terminate the Contract, execute the Performance Bond and pursue any other remedies under this Contract, law or equity.

In case of delay, the Contractor shall within two (2) days from the beginning of any such delay shall notify the Engineer in writing of the causes of the delay, who shall find out the facts and the extent of the delay and extend the time for completing the Work when, in his judgment, the findings of facts justify an extension, and his findings of facts thereon shall be final and conclusive for the Parties hereto, subject only to appeal by the Contractor as provided in Article 34, Disputes, hereof; provided that, no claim shall be made by the Contractor against PREPA, its agents, contractors, subcontractors, employees, successors, assignees, for any cause whatsoever, during the progress of any portion of the Work. Any damages by delays or interruptions caused exclusively by PREPA shall be considered as fully compensated for by the extensions of time as provided above.

 If PREPA does not terminate the right of the Contractor to proceed, the Contractor shall continue with the Work, in which event shall pay to PREPA a 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 event, or PREPA's failure to carry out its obligations.

PREPA shall have the right to the payment of the penalty or the withholding of Contractor's payments, in case of Contractor's delay in completion of the Work. The 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 16. Liabilities


16.1 Civil Responsibility

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

16.2 Indirect or Consequential Damages

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

16.3. Direct Damages to PREPA's Property



The Contractor shall be insured for all direct damages to PREPA's property that occur as a result of his fault or negligence in connection with the prosecution of the Work, and shall be responsible for the proper care and protection of all materials, equipment and work performed until completion of Work.

16.4. Protection against the Occurrence of Damages

The Contractor agrees to make, use, provide, and take all proper, reasonably necessary and enough 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,

Contractor agrees to comply with all applicable local and federal laws and regulations.

16.5 Save and Harmless Clause

The Contractor agrees to indemnify and save harmless PREPA for all expenses and costs of any nature (including attorneys' fees) incurred by PREPA arising out of any claim made by any person for personal injuries, including death, sustained by any person, including Contractor's employees, and for damages to third party property to the extent such injuries, death or third party damages are caused by the fault, negligent acts or omission of Contractor, its employees, subcontractors or affiliated companies, arising out of its or their performance and/or failure to perform the Works.

16.6. Save Harmless for Operation of PREPA's Equipment

The operation of PREPA's equipment by PREPA at its plant site is within the exclusive control of PREPA. PREPA shall indemnify and save harmless the Contractor from loss, expense or liability imposed upon the Contractor for any injury to a person, including death resulting therefrom or damage to any property resulting from the operation of such equipment by PREPA.

If the Contractor is allowed to operate PREPA's equipment at the plant, the Contractor shall indemnify and save harmless PREPA from loss, expense or liability imposed upon PREPA for any injury to a person, including death resulting

therefrom or damage to any property resulting from the operation of such equipment by the Contractor.

ARTICLE 17: Independent 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 not be considered as employees or agents of PREPA. In consequence, the Contractor is not entitled to any fringe benefits, such as, but not limited to vacations, sick leave, and others.

Contractor is an independent contractor and as such shall be responsible for the payment of all its income taxes, its subcontractors and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code.


ARTICLE 18: Termination

Either Party may terminate this Contract for any cause if the other Party: (i) becomes insolvent, or (ii) substantially breaches a material obligation, which does not otherwise have a specified contractual remedy. If PREPA terminates the Contract, PREPA shall pay to the Contractor all portions of the Work completed. The exercise of its right to terminate, cancel or rescind the Contract shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Contractor in the performance of its obligations under the Contract.

If PREPA terminates the Contract in accordance with this Article, PREPA may take possession of the premises, and of all materials, tools, and appliances thereon, and finish



the work by whatever method it may deem convenient. In such a case, the Contractor shall not be entitled to receive any further payment until the Work is finished. If the unpaid balance of the Contract Amount shall exceed the expenses of finishing the Work, including compensation for additional managerial and administrative services, such excess shall be paid by the Contractor. If such expenses shall exceed such unpaid balance, the Contractor shall pay the difference to PREPA of the expenses incurred by PREPA as herein provided. The remedies established in this Article, shall be each Party's sole and exclusive remedies by reason of such termination. PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor.



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 Contract 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. 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.

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**ARTICLE 19: 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:

**19.1 Commonwealth of Puerto Rico Workmen's Compensation Insurance:**

 The Contractor shall provide workmen's compensation insurance as required by Act No. 45 of April 18, 1935, as amended, known as the Workmen's Compensation Act of the Commonwealth of Puerto Rico ("Act 45"). Contractor shall also be responsible for compliance with Act 45 by all its subcontractors, agents and invitees, if any, or shall certify that such subcontractors, agents and invitees have obtained said policies on their own behalf. Contractor shall furnish to PREPA 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.

**19.2 Commercial General Liability Insurance:**

The Contractor shall provide a Commercial General Liability Insurance with limits

of at least \$1,000,000 per occurrence and at least \$1,000,000 aggregate.

19.3 Commercial Automobile Liability Insurance:

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

19.4 Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with minimum bodily injury limits of at least \$1,000,000 for each employee and at least \$1,000,000 for each accident covering against the liability imposed by Law upon the Contractor as 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.

19.5 Pollution Liability Insurance:

The Contractor shall provide Pollution Liability Insurance with limits at least \$1,000,000 and at least \$1,000,000 aggregate.

Requirements Under the Policies:

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

a. As Additional Insured:

Puerto Rico Electric Power Authority  
Risk Management Office  
PO Box 364267



San Juan, PR 00936-4267

- b. A 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 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."

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 Price, 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 Price, 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 presented to PREPA before commencement of any work and shall be issued in the required official PREPA forms


Furnishing of Policies:

All required policies of insurance and bonds shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized 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.

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ARTICLE 20: Permits and Licenses



The Contractor shall obtain and maintain all the licenses, permits, and authorizations required to perform all Works and tasks under this Contract, and shall send all notices, pay all fees and related costs, and will comply and will have its subcontractors, if any, and agents comply with all laws, ordinances, rules, and regulations applicable to the Work, in accordance with the drawings and Specifications. 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.


ARTICLE 21: Contingent Fees

The Contractor guarantees that he 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 guarantee shall give PREPA the right to terminate the Contract or, at its

discretion to withhold from the Contract Amount the amount of such commission, percentage, brokerage or contingent fees. This guarantee shall not apply to commission's payable by contractors upon contract or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

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ARTICLE 22. Transfer of Funds



If Contractor decides to assign or transfer an amount, due or payable, to which he is entitled for services rendered or goods provided during the term of this Contract, 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.

Contractor acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Contractor owes; PREPA may retain any said amount if Contractor fails to fulfill its obligations and responsibilities under this Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Contractor also acknowledges and agrees that PREPA's payment obligation under any assignment of funds will cease upon payment of the outstanding



amounts under this Contract. PREPA shall not be required to make payments or transfer any funds for an amount that exceeds the payment to which Contractor is entitled to under this Contract.

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ARTICLE 23: Conflict of Interest

The Contractor certifies that he does not receive payment or benefit of any nature for services rendered regularly through an appointment to a governmental agency, body, public corporation or municipality of Puerto Rico.

The Contractor represents conflicting interests when on behalf of a client he must contend for that which it is his duty to oppose to comply with its obligations with another previous, present or potential client. Also, the Contractor represents conflicting interests when his conduct is described as such in the canons of ethic applicable to the Contractor and his personnel or in the laws or regulations of the Commonwealth of Puerto Rico.

In contracts with partnerships or firms, if any of the partners, directors or employees of the Contractor should incur in the conduct described herein, said conduct shall constitute a violation to the prohibitions provided herein. The Contractor shall avoid even the appearance of the existence of conflicting interests.

The Contractor acknowledges that the Contracting Officer shall have the power to intervene the acts of the Contractor and/or its agents, employees, and subcontractors

regarding the enforcement of the prohibitions contained herein. If PREPA should discover the existence of adverse interests with the Contractor, the Contracting Officer shall inform the Contractor, in writing, of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, the Contractor may request a meeting with the Contracting Officer to present his arguments regarding the alleged conflict of interests, which meeting shall be granted by PREPA in every case of alleged conflict of interests. If the Contractor does not request such a meeting during the specified thirty (30) day period or the controversy is not satisfactorily settled during the meeting, this Contract shall be cancelled.

The Contractor certifies that, at the time of award of this Contract, it does not have any other contractual relation that can enter in a conflict of interest with this Contract. The Contractor also certifies that no public employee has any personal or economical interest in this Contract.

ARTICLE 24: Claims for Labor and Materials

The Contractor shall, at his own expense, assume the defense of and save harmless PREPA from claims for labor and materials and not suffer any procedure or other liens to remain outstanding against any of the property 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 his 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 claims and any cost and expenses incidental thereto.

ARTICLE 25: Other Contracts

PREPA may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors, in accordance with Article 8, Other Work at the Site, of this Contract, and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any acts which interfere with the performance of work by any other Contractor.

ARTICLE 26: Minimum Wage Rates

Laborers and other employees engaged under this Contract shall be paid not less than the minimum wages rates prescribed by law. PREPA may withhold from any payment due to the Contractor any amount necessary to make up the full amount of wages due under this Contract and may distribute it directly to those entitled thereto hereunder.

ARTICLE 27: Unfair Labor Practice

In the event that the Contractor or any of his 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 their finding that the Contractor or any of his subcontractors or agents have committed an unfair labor practice, no further payments shall be made by PREPA to the Contractor after the date of said order. In addition, the Contract may be terminated by PREPA, in which case PREPA may take possession of the materials, tools,




and appliances on the job site and finish the work by whatever method it may deem expedient.

Any declaration by the Puerto Rico Labor Relations Board and/or by the National Labor Relation Board that the Contractor or its 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.

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ARTICLE 28: Assignment



The Contractor shall not subcontract or assign its obligations under this Contract, without PREPA's previous written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) 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 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 for the subcontractor the obligation to comply with all of Contractor's obligations under the Contract (mirror image clause), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract.


If the contractor decides to assign any due or payables, to which he is entitled for services rendered or goods provided during the term of this Contract to a different company affiliate or any third party, provisions in Article 22, Transfer of Funds, of this Contract, shall apply.

ARTICLE 29: Subcontractors

PREPA may invalidate any of the contracts with the subcontractors if PREPA determines that they are detrimental to its best interests.

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ARTICLE 30: Novation

 The Contractor and PREPA expressly agree that no amendment or change order which could be made to this Contract, during its term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing. This previous provision shall be equally applicable in such other cases where PREPA gives the Contractor a time extension for the compliance of any of its obligations under the Contract or where PREPA dispenses the claim or demand of any of its credits or rights under this Contract.

ARTICLE 31: 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, copyright or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance manufactured or 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 authority, information, and assistance for the defense of the same, and the Contractor shall pay 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 either procure for PREPA the right to continue using the same or replace it with non-infringing equipment, composition, secret process, invention, article or appliance, or modify it so it becomes non-infringing; or remove it and refund the purchase price.

ARTICLE 32: Waivers

No waiver of any breach of this Contract shall be held to be a waiver of any other subsequent breach. 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 33: Correction of Work After Final Payment

The final certificate for payment shall not relieve the Contractor of responsibility for faulty materials or workmanship and, unless otherwise specified, Contractor shall remedy any defects due thereto in accordance with the Warranty provisions of this Contract, PREPA shall give notice of observed defects with reasonable promptness. All questions arising under this Article shall be decided by the Engineer, subject to appeal by the Contractor, as provided in Article 34, Disputes, in this Contract.

ARTICLE 34: Disputes



All disputes concerning questions of fact arising under this Contract shall be decided by PREPA's Generation Director within ten (10) days from the submission of the dispute by Contractor, subject to written appeal by Contractor to the Contracting Officer within thirty (30) days. Within ten (10) days thereafter, the Contracting Officer shall inform each Party hereto of his decision regarding the dispute. Contractor, at its option, may elect to accept such decision or pursue remedies at law or equity. Contractor may pursue directly the remedies at law or equity for all other disputes other than questions of fact. Notwithstanding the terms above, each party has the right at any time, at its option and where legally available, to commence an action or proceeding in a court of competent jurisdiction to apply for interim or conservatory measures, but not monetary damages.

In the event of a dispute arising during the warranty period, Contractor shall ensure that the Performance Bond remains in full force and effect until such dispute is resolved and all obligations of Contractor under the agreement are duly performed.


ARTICLE 35: Laws to be Observed

Contractor shall observe and comply with any and all federal, state and municipal laws, ordinances and regulations that in any manner affect the Work, the equipment or the materials used in connection with the Works and shall observe all such orders and decrees as exist at present or may be enacted prior to the completion of the Works by agencies or courts having any jurisdiction or authority. Contractor shall save harmless and indemnify PREPA and its representatives, officers, agents and servants for fines and

penalties paid by PREPA, including attorney's fees, to governmental authorities as sole result of 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 16, Liabilities, of this Contract.

All permits must always be available on site. The Contractor will be responsible to request any extension to the permits before their expiration that may be due to Work schedules delays. Otherwise, the Contractor will assume the responsibility to pay any late fees or fines.

ARTICLE 36: Change in Law

 During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which causes an increase in Contractor's costs when supplying the products or services to be acquired by PREPA, shall be of Contractor's responsibility and PREPA shall not be obliged to make additional payments nor to pay additional sums to the price or canon originally agreed for those products or services.

ARTICLE 37: Choice of Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico. Also, the contracting parties expressly agree that only the state courts of Puerto Rico will be the courts of competent and exclusive jurisdiction to decide over the judicial controversies that the appearing parties may have among them regarding the terms and conditions of this Contract.


ARTICLE 38: Separability

If a court of competent jurisdiction declares any of the Contract provisions as null or invalid, such holding will 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.

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**ARTICLE 39: Discrimination**


 The Contractor certifies that he is an employer with equal opportunity employment, and does not discriminate against any employee or applicant for employment on account of race, color, gender, age, sex, national or social origin, social status, political ideas or affiliation, religion, for being or perceived to be a victim of domestic violence, sexual aggression or harassment, regardless of marital status, sexual orientation, gender identity or immigrant status, for physical or mental disability, for veteran status or genetic information.

**ARTICLE 40: Warranty**

The Contractor warrants to PREPA that the Works shall be performed in a competent, diligent manner in accordance with any mutually agreed Specifications. The foregoing warranty for services work shall expire one (1) year after the performance of the Works. No warranty claim shall extend the applicable warranty period.



If the works do not meet the above warranties, PREPA shall promptly notify the Contractor in writing prior to expiration of the warranty period. The Contractor shall at its option, re-perform defective Work. If regardless of the Contractor's reasonable efforts, a deficient Work cannot be re-performed, the Contractor shall refund or credit the amounts paid by PREPA for such deficient Work. Warranty re-performance by the Contractor shall not extend or renew the applicable warranty period. PREPA shall obtain Contractor's agreement on the execution of any tests it plans to perform to determine if any part of the Work does not comply with the Specifications and warranties.



The Contractor will provide the necessary skill labor for any warranty work that has to be performed in order to comply with the requirements established under this Article. The Performance Bond shall cover and serve as guarantee for this warranty. Upon expiration of the warranty period, the Performance Bond shall expire.

The warranties and remedies are conditioned upon: (a) proper storage, installation, use, operation, and maintenance of products, (b) PREPA keeping accurate and complete records of operation and maintenance during the warranty period and providing Contractor with access to those records, and (c) modification or repair of products or services only as authorized by the Contractor in writing. Failure to meet any such conditions make the warranty null and void. The Contractor is not responsible for normal wear and tear.

ARTICLE 41: Notice


Any required notice to be given hereunder shall be in writing and will be sufficiently served when delivered in person or properly mailed to the following addresses:

To PREPA: Puerto Rico Electric Power Authority  
PO Box 364267  
San Juan, Puerto Rico 00936-4267

Attention: William Ríos Mera  
Interim Generation Director

To Contractor: Gabriel Fuentes Jr. Const. Co., Inc.  
PO Box 363825  
San Juan, Puerto Rico 00936-3825

Attention: Jorge J. Fuentes Alvarez



ARTICLE 42: Other Taxes

All unemployment, retirement, and other Social Security contributions and taxes; all sales, use and excise, privilege, business and occupational taxes, and any other taxes or fees payable by the Contractor are and shall be included as part of his prices.

ARTICLE 43: Cleaning Up


The Contractor shall, from time to time, as directed by the Engineer, remove from PREPA's property and from all public and private property all waste and materials resulting from his operations.

Upon completion of the Works, the Contractor shall remove from the area of the Works all remaining rubbish, unused materials, and other like material, belonging to him or used under his direction, and shall hand-in the work area free of contaminants. In the event of

his failure to do so, PREPA may proceed with cleanup of the affected areas at Contractor's expense, and his surety or sureties shall be liable, therefore.

ARTICLE 44: Safety Provisions

44.1 The Contractor shall have an Occupational Safety and Health Program and a Safety Officer on the site. A copy of this Program will be delivered to PREPA's Occupational Safety Division. The Program shall comply with the following minimum requirements of a health and safety program:

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- a. It shall comply with all requirements from all applicable regulations included in the 29 CFR 1900.1. The Program shall have been updated within the past year from the delivery date to PREPA.
  - b. It shall establish the mechanisms used to update and audit compliance with itself.
  - c. It shall include an accident or incident investigation procedure. This procedure will always include the preparation of a report, which will be submitted to the Occupational Safety Division of PREPA.

44.2 The Contractor shall submit, for evaluation by the Occupational Safety 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 Work Plan
- b. Description of the activities



- c. Occupational safety and health considerations to be addressed before commencement of the project.
- d. Procedures for achieving compliance with the applicable regulations, including, but not limited to:
  - i. Occupational Exposure to Lead (29 CFR 1926.62)
  - ii. Scaffolds (29 CFR 1926 Subpart L)
  - iii. Confined Spaces (29 CFR 1910.146)
  - iv. Occupational Exposure to Noise (29 CFR 1910.95)
  - v. Hazardous Materials (29 CFR 1910 Subpart H)
  - vi. Personal Protective Equipment (29 CFR Subpart I)
  - vii. Hazard Communication (29 CFR 1910.1200)
  - viii. HAZWOPER (29 CFR 1910.120)
  - ix. Fire Protection (29 CFR 1910 Subpart L)
  - x. Commercial Diving (29 CFR 1910 Subpart T)
  - xi. Respiratory Protection (29 CFR 1910.134)
  - xii. Fall Protection (29 CFR 1926 Subpart M)
  - xiii. Electrical (29 CFR 1926 Subpart K)
  - xiv. Welding (29 CFR 1926 Subpart J)
  - xv. Excavations (29 CFR 1926 Subpart P)
  - xvi. Demolitions (29 CFR 1926 Subpart T)
  - xvii. Blasting & Explosives (29 CFR 1926 Subpart U)

- xviii. Ventilation (29 CFR 1926.57)
  - xix. Tools, Hand, and Powered (1926 Subpart I)
  - xx. Electric Industry (29 CFR 1910.269)
  - xxi. Lockout/Tagout (29 CFR 1910.147)
  - xxii. Asbestos (29 CFR 1910.1001)
- e. It will also include any other regulation 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, include copy of all training certificates, licenses or certifications required, according to the scope of work, send it via [safety@prepa.com](mailto:safety@prepa.com). For example: pesticide applicator, electrician, spill responder, refrigeration technician, DOT training for hazardous substances, etc. All these certificates and licenses shall be up to date.
- g. Copy of the Safety Data Sheets (SDS) of all chemical products to be used during the project, for evaluation and approval by PREPA's Occupational Safety and Health Office (Hazard Communication Section).
- h. Certification of compliance with medical surveillance requirements, according to scope of work.

- i. Certification of compliance with Fit Test requirements for the use of respirators that make a face seal.
- j. Safety equipment and materials to be used during the project.
- k. Procedures to verify the work area after each work day and at the end of the project.
- l. Each Contractor/Subcontractor shall comply with a 100% drug /alcohol free work zone. At minimum, pre-project and post-accident testing is required. A positive post-accident test or positive pre-project test will result in worker dismissal from the project. Testing will be performed in following closely the NIDA standards.
- m. 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.

44.3 Before commencement of work, the Contractor shall take part in a coordination meeting with the designated Safety Officer and Construction Site Manager, and the project manager on PREPA's behalf. During this meeting the areas to be



worked on will be toured, the site-specific work plan will be discussed and reviewed, and amendments to it could be required.

- 44.4 If the contracted services include 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 will be carried out in buildings or structures, that because of their construction date or prior use, are suspected to contain asbestos, lead based paint or other hazardous materials, the Contractor will require a certification from the project manager or owner stating that the building or structure is free of such materials.
- 44.5 Services including activities inside buildings occupied by working personnel, that could create a hazard to their safety or health, will be offered AFTER PREPA'S WORKING HOURS. The Contractor will take all steps necessary to assure the area will be free of nuisance odors or vapors before is reoccupy by PREPA's personnel. All these will be done in coordination with PREPA's local supervisor.
- 44.6 The Contractor shall assure that all wastes are removed and properly disposed of, in accordance with all applicable laws and regulations, at the end of every work shift and after the completion of the project.
- 44.7 All chemical products to be used shall be classified as Approved or Conditionally Approved by PREPA's Hazard Communication Section.
- 44.8 Welding operations will comply with the requirements of OSHA, ANSI and NFPA.

- 44.9 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. 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 on the work and all other persons who may be affected. Also, to the work, property, material and equipment on or off the site, under the care, custody or control of the Contractor or any of his subcontractors.
- 44.10 The Contractor shall comply with all applicable laws, ordinances, rules, regulations 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. He 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.
- 44.11 The Contractor shall designate a responsible Safety Officer of his organization, evaluated and approved by PREPA, who shall be at all times at the project site, whose only duty shall be the prevention of accidents, implement both the Safety and Health Program and the Site Specific Work Plan in coordination with the Safety Officer from PREPA. The Contractor's Safety Officer shall have successfully completed the thirty (30) hours Occupational Safety and Health Administration course in occupational safety and health standards for the construction industry.

Contractor shall also have on site available at any time the latest revision of the OSHA Standards for the Construction Industry Manual.


- 44.12 Compliance with all safety provisions by subcontractors shall be the responsibility of the Contractor.
- 44.13 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.
- 44.14 Contractor will obtain and maintain, during the duration of the Contract, the proper permits from all federal, state and local regulatory authorities or other applicable government agency with respect to discharge, disposal, use, storage, handling and transportation of hazardous chemicals and substances as and when applicable law or regulation requires. 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.
- 44.15 Contractor will not cause or permit any hazardous chemical or product containing a hazardous chemical to be at, or in the vicinity of, any place where any employee, agent, or contractor of PREPA, or any employee of any such agent or Contractor, may be at risk or exposed to hazard as a result thereof during normal use or any foreseeable emergency.



44.16 Contractor will defend, indemnify and hold harmless, PREPA, its employees, agents or assignees for any and all direct liabilities and expenses arising out of contractor noncompliance with these clauses irrespective of any other terms of this Contract.


44.17 PREPA may unilaterally 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 on this Contract upon thirty (30) days of a written notice to Contractor.

ARTICLE 45: Environmental Conditions



45.1 The Contractor covenants and agrees that it shall, at all times during the term of the Contract, and at its sole cost and expense, comply with and assume sole responsibility and liability under all environmental laws applicable to use of or operations at the project site by Contractors, its agents, assigns, and/or employees. Contractor agrees that should it or any of its agents, assigns, or employees know of (a) any violation of environmental law relating to the project site, or (b) the escape, release, or threatened release of any hazardous materials in, on under, or about the project site, Contractor shall promptly notify PREPA in writing of such, and that it will provide all warnings of exposure to hazardous materials in, on, under, or about the project site, in strict compliance with all applicable environmental laws. Further, Contractor covenants and agrees that it shall at no time use, analyze, generate, manufacture, produce, transport, store, treat, release, dispose of, or permit the

escape of, or otherwise deposit in, on, under, or about the project site, any hazardous materials, or permit or allow any of its agents, assigns, or employees to do so. Prior to use of the project site, Contractor shall provide to PREPA an inventory of all equipment and materials stored and/or to be stored at the project site.



45.2 For purposes of this Contract, hazardous materials shall include but is not limited to, any and all substances, chemicals, wastes, sewage, or other materials that are now or hereafter regulated, controlled or prohibited by any environmental laws, including, without limitation: any (a) substance defined as a hazardous substance, extremely hazardous substance, hazardous material, hazardous chemical, hazardous waste, toxic substance, or air pollutant by federal laws (b) any chemical, compound, material, substance, or other matter that: (1) is a flammable explosive, asbestos, radioactive material, nuclear material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, injurious by itself or in combination with other materials; (2) is, controlled, designated in, or governed by any hazardous materials law; (3) gives rise to any reporting, notice, or publication requirements under any hazardous materials laws.

45.3 The Contractor must provide and maintain environmental protection measurements 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 emerge or develop during

the construction, as well, the recondition of all environmental measurements or controls employed at the project that do not fulfill their purpose.

45.4 The Contractor must comply with all environmental laws and regulations, as well as, any terms or conditions specify under any approved plan, permit or endorsement by local, state or federal agencies. The Contractor must obtain, and submit to PREPA, any type of permit required for their operation, such as but not limited to: fuel or wastewater storage tanks, storage of remain material of excavations or any landfill required for the project, use and storage of chemicals, cranes and transportation permits, etc. Furthermore, the Contractor shall comply immediately with any recommendation, required response or mitigation action for any environmental concern or deficiency found by PREPA's personnel, or any State or Federal regulatory agency. The Contractor will be responsible to notify PREPA immediately of any findings resulting from inspections performed by regulatory agency.

45.5 The Contractor and its subcontractors must comply with the provisions to attend all discharge of waste waters to comply with the federal and State regulations of the Clean Water Act (40CFR 112.7 y 122), the Spill Prevention Control and Countermeasure and the EQB's Water Quality Standards.

45.6 The Contractor agrees to indemnify PREPA for all expenses and costs of any nature arising out of any claim due to an environmental violation, caused by his agents, employees, subcontractors or assigns during the performance or




non-performance of its obligations under the Contract.

- 45.7 The Contractor shall have available, and close to the working area, the necessary equipment to control, pick-up and clean up any spill that could occur during the performance of the work required by the Contract. The equipment should include all the necessary materials for the waste disposal.
- 45.8 All Contractor's equipment, including vehicles, to be used in the work area should have an inspection and maintenance program, and be free of any hydrocarbon or hydraulic fluid leakage. If the equipment develops a leakage during the work process, it should be repaired or replaced immediately. While the leaking equipment is removed of the work or it is repaired, it is the Contractor's responsibility the replacement of cloth or absorbent material and drip pans. Traces of hydraulic leakages found during the repairs or modification works must be removed and clean immediately in order to prevent Power Plant Outfalls discharge contamination.
- 45.9 The Contractor shall inform and coordinate with the Plant's Compliance Regulations Supervisor any work to be done to avoid any environmental violation.
- 45.10 The Contractor shall comply with all the arrangements established in the Consent Decree between PREPA and the Environmental Protection Agency (EPA).
- 45.11 All areas must be clean and organized to prevent accidents or violations of regulations. All equipment to be used in the work area should be in perfect conditions and have a good maintenance program. A monthly record of

maintenance shall be filed by the Contractors and submitted to PREPA. Also, will be responsible to maintain their Operation Center and project area clean and organized.

45.12. The Contractor shall dispose the wastes stipulated in the Technical Specifications according to the Environmental regulations. The use of PREPA's waste disposal equipment is not permitted. Hazardous wastes shall not be discharged into sanitary sewers or storm water drainage system. All waste products shall be disposed of in accordance with applicable regulations.

 45.13 The Contractor will be responsible to contain, mitigate and dispose any type fuel spill, oils or any other substances due to rupture of generator and rotor equipment, as well as auxiliary's related equipment and over and underground pipelines, tanks or storage containers.

45.14 All work shall be performed in compliance with the Spill Prevention and Control and Countermeasure Plan (SPCCP). Contractor and subcontractors shall attend to an orientation about the Spill Prevention and Control and Countermeasure Plan (SPCCP).

45.15 The Contractor shall submit work plan and a spill prevention plan to the Environmental Engineer (SPCCP). The construction process should be performed in such a manner that any adverse environmental impacts, where applicable, are reduced to minimum and acceptable level in fulfillment to PREPA.

45.16 All chemical products to be used shall be classified as "Approved" or "Conditional

Approved" by PREPA's Hazard Communication Section and by Substances and Wastes Management Department, before entering the work area of PREPA's premises.

45.17 The Contractor, upon completion of the work, must leave all the work area clean, organized and free of contaminants, according to the laboratory analysis before and after the work. Before starting the work, the Contractor shall submit the work plan to PREPA for evaluation of the Environmental Protection Division. The storage area for the removed equipment and parts must be appropriate to avoid contaminants dispersion to the ground or water.

45.18 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.

45.19 The disposal of non-hazardous and hazardous waste material shall be done in a Treatment Storage Disposal Facility (TSDF) previously approved by PREPA.

45.20 The Contractor shall submit evidence of compliance with DOT's Hazardous Materials Transportation, 49 CFR 172 Sub. Part H (DOT).

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

45.22 All work shall be performed according to the Best Management Practice Plan (BMPP), which is part of the Special Conditions of the NPDES Permit.



- 45.23 Any chemical product should not reach any internal waste stream or outfall of the Plant in order to comply with the NPDES Permit.
- 45.24 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.
- 45.25 All the construction and disposal materials shall be covered to avoid rainfall exposure during the work activities.
- 45.26 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 in the project. This report will include a copy for all the analysis taken during the project and a copy or copies of the manifest of the waste generated. This report should be submitted to the Plant's Regulations Compliance Supervisor and to the Quality Assurance Environmental Protection Division.
- 45.27 The Contractor shall be responsible to obtain the requirement air permits for the control of fugitive emission that may be caused by process or work operations.
- 45.28 The Contractor shall be responsible to obtain all the necessary permits for the proposed activity, including the operation of emergency electric power generators, fuel and oil storage tanks, use of crane and transportation of equipment in state roads and highways. All copies of approved permits must be on the site project.

The Contractor must submit a copy of the approved permits to the Environmental Protection Quality Assurance Division (EPQAD).

45.29 The Contractor must locate construction and maintenance signs in a visible area of the project. These signs must comply with the states and federal codes for regulatory, warning and guide signs.

45.30 Water flooding of trenches with potable water will not be permitted.

45.31 All paints applied by sprayers shall be of a water-based type.

45.32 Provisions shall be made to prevent the discharge of construction silt, mud, and debris into storm water drains or power plant outfalls.

45.33 Contractor shall take whatever steps, procedures, or means to prevent abnormal, material spillage, or tracking conditions due to their construction operations in connection with the Contract. The dust control measures shall always be maintained during construction of the project, to the satisfaction of PREPA's Environmental and Engineers Personnel, in accordance with Air Pollution Control Regulations.

45.34 All materials supplied by Contractor shall be one hundred percent (100%) asbestos free.

- 45.35 When archaeological features are encountered or unearthed, Contractor shall promptly report PREPA's Environmental Division. Excavation shall not resume in the identified area until approved by State Regulatory Officers.
- 45.36 Contractor is solely responsible for, and assumes full liability for, the traffic control relating to this project. Contractor is solely responsible for any and all loss, damage, replacement, or repair necessitated to any traffic signal equipment, traffic signal conduit, and/or circuits, arising from or relating to Contractor's work or services performed hereunder. Contractor shall have all repairs performed immediately at its sole expense by a licensed electrical contractor with experience in traffic signal repair, subject to pre-approval by State the Roads and Transportation Department. Any and all repairs and/or replacement costs expended by the State in this regard shall be reimbursed immediately by the Contractor.


ARTICLE 46: Use of Completed Portions

PREPA shall have the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding the fact that the time for completion of the entire Works may not have expired, but such taking possession and use shall not be deemed an acceptance of the Work so taken or used or any part thereof. PREPA may require the Contractor to expedite the completion of any part of the Work for provisional use by PREPA and the Contractor shall comply with such request. If such order of



completion or prior use increases the cost of the work or delays the work, the Contractor shall be entitled to such extra compensation or extension of time as agreed by the Parties.

ARTICLE 47. Quality Assurance




The Contractor shall submit for evaluation and approval by PREPA a quality control program and establish a quality assurance program, also evaluated and approved by PREPA, to satisfy all applicable regulation and requirements specified in the procurement documents and satisfactory to PREPA. The program shall contain all those measures necessary to assure that all basic technical requisites ask for in the drawings, codes, tests, and inspections for design, fabrication, cleaning, installation, packing, handling, shipping, long term storage, when necessary, and test equipment are fulfilled. PREPA reserves the right to conduct audits and inspections to the facilities, activities, and/or documents when estimated and without previous notification necessary in order to assure that the quality control program is adequate and properly implemented.

The Contractor shall allow PREPA access to its facilities and documents, so that PREPA, through audits and inspections can verify the quality of the labor, equipment, products, services, and any other related items provided by the Contractor. In every case in which the materials or services furnished to PREPA are subcontracted partially or totally, by the Contractor, the Contractor shall request the subcontractor to accept and comply with all the requirements of this Article.

ARTICLE 48: Compliance with the Commonwealth of Puerto Rico Contracting Requirements

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.


- A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years.



The Contractor, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. 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.

- B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico: Pursuant to Executive Order No. 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor will certify and warrant 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. 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.

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- C. Government of Puerto Rico Municipal Tax Collection Center: The Contractor will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The Contractor further will certify 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, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Contractor does not owe any tax accruing to such governmental agency. To request such Certification, Contractor will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). The Contractor will deliver upon request any documentation requested by PREPA.



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 with regards to its property taxes.

The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by 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 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.

- D. The Contractor shall provide a Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.
- E. Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico: The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods.

- F. Puerto Rico Child Support Administration (ASUME): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Contractor nor any of its owners, affiliates or subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores (ASUME)*).
- G. The Contractor shall present the Certificate of Incorporation, or Certificate of Organization or Certificate of Authorization to do business in Puerto Rico issued by the Puerto Rico Department of State.
- H. The Contractor shall present a Good Standing Certificate issued by the Puerto Rico Department of State.
- I. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE-24; and C.F.R. Part 404 et. Seq., the Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract.
- J. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor will retain twenty percent (20%) and twenty-nine percent (29%) respectively. PREPA will remit such withholdings to the Government of Puerto Rico's Treasury

Department (known in Spanish as *Departamento de Hacienda de Puerto Rico*). The Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Contractor timely provides a release from such obligation by the Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R. 232; 232-2011.

- K. Special Contribution for Professional and Consulting Services: As required by Act 48-2013, as amended, PREPA will withhold a special contribution of one-point five percent (1.5%) of the gross amounts paid under this Contract.
- L. Compliance with Act 1-2012 of Governmental Ethics: The Contractor will certify compliance with Act 1-2012, as amended, known as the Ethics Act of the Government of Puerto Rico (Act 1-2012), which stipulates that no employee or executive of PREPA nor any member of his/he immediate family (spouse, dependent children or other members of his/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 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.;
- M. Act 168-2000: Law for the Strengthening of the Family Support and 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 168-2000, as amended, the same is current and in all aspects in compliance.

Act 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.

- N. Act 127-2004: Contract Registration in the Comptroller's Office of Puerto Rico Act: Payment for services object of 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 Act. No. 18 of October 30, 1975, as amended.
- O. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.
- P. Rules of Professional Ethics: The Contractor acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.
- Q. Anti-Corruption Code for a New Puerto Rico: 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 Puerto Rico (Act 2-2018). 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.

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 (Act 8-2017) or any of the crimes included in Act 2-2018.

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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code (Act 146-2012), 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.

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, any of the crimes listed in Articles 250 through 266 of Act 146-2012, 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.

R. 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.

S. Prohibition with respect to contracting with officers or employees:  
(3 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.

T. 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.

U. Prohibition with respect to evaluation and approval by public officers:  
(3 L.P.R.A. §8615(f)):

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.

V. Prohibition with respect to execution by public officers contracts with 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.

W. Provisions Required under Act 14-2004: 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, if they are available.

X. Consequences of Non-Compliance: If any of the previously required Certifications shows a debt, and Contractor has requested a review or adjustment of this debt, Contractor will certify 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, Contractor will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Contractor accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. The Contractor expressly agrees that the conditions outlined above and 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 enough cause for PREPA to terminate this Contract.

**ARTICLE 49: Compliance with Applicable Federal Law, Regulations And Executive Orders. [REQUIRED FOR AGREEMENTS FUNDED IN WHOLE OR IN PART WITH FEMA and CDBG-DR FUNDS]**

**49.1 Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).**

- A. Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work 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. Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (A) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and 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 section, in the sum of \$27 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 section.

- C. Withholding for unpaid wages and liquidated damages. PREPA 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 prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (B) of this section.

Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (A) through (D) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime 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 section.



49.2 Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended). Contractor certifies 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 so certify to the tier above it. 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 (COR3). Contractor shall also submit to PREPA the required certification regarding lobbying at Appendix A, 44 C.F.R. Part 18.


49.3 Remedies. 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. Upon a material breach by Contractor, PREPA may utilize any remedy available by law, including precluding Contractor from further work with PREPA in the future and recommend suspension and debarment.

49.4 Clean Air Act and the Federal Water Pollution Control Act.

- A. 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.
- B. The Contractor agrees to report each violation to PREPA and understands and agrees that PREPA will, in turn, report each violation as required to assure notification to the COR3, the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- C. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

49.5 Changes. At any time changes in the Services or work to be performed within the general scope of this Contract may be made in accordance with Article 7, Changes/Extra Work; provided, however, that no changes shall be made to the scope of the Services 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 or any other U.S. federal agency.

49.6 Sufficiency of Funds. The Contractor recognizes and agrees that all or a portion of the funding for this Contract shall be derived from assistance awarded by Federal agencies of the United States of America to PREPA or the Government of



Puerto Rico. As part of its obligations under this Contract, Contractor shall ensure that the work performed hereunder is eligible for funding by complying with all applicable Federal law, regulations, executive orders, Federal agency policy, procedures, directives and guidelines. If during the term of this Contract, Federal or local funding is reduced, deobligated, or withdrawn, PREPA may reduce the scope of or terminate the Contract, without penalty, by providing written notice to Contractor of the changes in scope or termination. PREPA shall not be obligated to pay nor shall be held financially liable if any work performed by Contractor under this Contract is deemed ineligible by any Federal agency. The Federal Government is not a party to this Contract and is not subject to any obligations or liabilities to PREPA, Contractor, or any other party pertaining to any matter resulting from this Contract.

49.7 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 harmless PREPA and the Government of Puerto Rico for any and all costs associated with the defense of that litigation, including costs and attorneys' fees, settlements, or adverse



judgments arising from the Contractor's failure to comply with the requirements under this Contract.

49.8 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.


49.9 Financial Management System. The Contractor's financial management system shall provide for the following:

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- 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.

**49.10 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 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.

49.11 Debarment, Suspension, and Ineligibility.


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- A. This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor represents and warrants that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Contractor further 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 of this Contract, the Contractor will 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. The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- C. 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, an 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.



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

49.13 Review of Laws. The Contractor certifies 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 will notify PREPA in order to obtain printed copies of the laws. Not requiring a printed copy of the laws to PREPA will be evidence that the Contractor was able to find it online and read it as required.

49.14 Notice of Federal Emergency Management Agency (FEMA) Reporting Requirements and Regulations.




A. PREPA is using Federal grant funding awarded or administered by FEMA to the Government of Puerto Rico and/or PREPA to pay, in full, 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. Failure by the Contractor to provide information necessary to satisfy these reporting requirements may result in loss of Federal funding for this Contract, and such failure shall be a material breach of this Contract.

B. Applicable Regulations and Policy. 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) 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance);
- (3) Performance and financial reporting requirements set forth in 2 C.F.R. Part 206.

49.15 Access to Records.

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- A. The Contractor agrees to provide PREPA, the Government of Puerto Rico, the FEMA Administrator, the Secretary of HUD, 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 directly pertinent 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 Administrator, the Secretary of HUD, or his authorized representatives access to work sites pertaining to the work being completed under the Contract.

49.16 Retention requirements for records. 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 years from the date of submission by PREPA or the Puerto Rico Emergency Management Agency, on PREPA's behalf, of the final expenditure report for disaster declaration FEMA-4339-DR-PR, as reported to FEMA. 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. It is the responsibility of the Contractor to inquire of PREPA whether the aforementioned final expenditure report has been submitted.

49.17 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.

49.18 Procurement of Recovered Materials. In the performance of this Contract, the Contractor shall make maximum use of products containing recovered materials that are Environmental Protection Agency ("EPA")- designated items unless the product cannot be acquired—

- A. Competitively within a timeframe providing for compliance with the Contract performance schedule;
- B. Meeting Contract performance requirements; or



C. 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>.

49.19 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.


49.20 Equal Employment Opportunity. During the performance of this Contract, the Contractor agrees as follows:

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

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- E. The Contractor will comply with all provisions of Executive Order 11246, and of the rules, regulations, and relevant orders of the Secretary of Labor.
  - F. The Contractor will 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 will permit access to its books, records, and accounts by PREPA, the Government of Puerto Rico, and the Secretary of Labor 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 will 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 will be binding upon each subcontractor or vendor. The Contractor will 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.



49.21 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.

49.22 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 of this Contract.

49.23 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.

49.24 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 his 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.

49.25 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.

49.26 Compliance with Laws, Regulation and Executive Orders. The Contractor acknowledges that FEMA financial assistance will be used to fund this Contract. The Contractor shall comply will all applicable Federal and Government of Puerto Rico 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 regulations in 44 C.F.R. Chapter I, and 2 C.F.R. Part 200.

49.27 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.

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

49.29 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.

49.30 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, Contractor, or any other party pertaining to any matter resulting from the contract.

49.31 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.

49.32 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.

49.33 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.

49.34 Davis Bacon Act and Copeland Anti-Kickback Act

A. Contractor. 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, which are incorporated by reference into this Contract.


B. Subcontracts. Contractor or subcontractors shall insert in any subcontracts the clause above and such other clauses as FEMA or HUD may by appropriate instructions require, and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

C. Breach. 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.

49.35 HUD 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 CFR 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. Contractor agrees to send to each labor organization or representative of workers with which Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and


training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

-  D. Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 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 CFR part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. Contractor will certify that any vacant employment positions, including training positions, that are filled (i) after Contractor is selected but before the contract is executed, and (ii) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR 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 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).

49.36 HUD Section 3 Requirements

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- 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. Section 3 minimum contracting goals. 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. Eligibility for preference. 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 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.


49.37 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 1(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 1(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 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 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.

*MC*  
(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. Subcontracts. 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.
- I. 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. Disputes concerning labor standards. 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.

(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 1010, 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. Complaints, Proceedings, or Testimony by Employees. 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. Health and Safety. 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.

49.38 Buy American—Construction Materials Under Trade Agreements (Oct 2016)


A. Definitions. As used in this Article—

1. **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—
    - 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
  - b. Does not include bulk cargo, as defined in 46 U.S.C. § 40102(4), such as agricultural products and petroleum products.



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3. **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. 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 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);
- b. 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

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—


- 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.

9. **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



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- 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.
  - 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.


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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"]

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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.

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- 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) <sup>1</sup>
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).

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.

ARTICLE 50: Term of Contract

This Contract shall be in effect for a period of four hundred twenty-five (425) days from its signing by all Parties.

ARTICLE 51: 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.

The Contractor represents and warrants that the information included in the Contractor Certification Requirement is complete, accurate and correct, and that any misrepresentation, inaccuracy or 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.

ARTICLE 52: Correlation of Documents



In case of discrepancy or in the event of conflict among the different Contract documents such as: Contract and the Contractors Proposal, these shall take precedence in the order given. The terms and conditions contained in the Contract shall prevail over any conflictive terms and conditions contained in the Contractor's Proposal.

ARTICLE 52: Complete Agreement

This document, together with all attachments referenced herein, constitutes the complete agreement between the Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract this 26  
day of July of 2021, in San Juan, Puerto Rico.

PUERTO RICO ELECTRIC  
POWER AUTHORITY

  
\_\_\_\_\_  
Efran Paredes Maisonet  
Executive Director  
Social Security Number 660-43-3747

Gabriel Fuentes Jr. Construction Co., Inc.

  
\_\_\_\_\_  
Jorge J. Fuentes Alvarez  
President  
Social Security Number 660-27-3299