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

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# **IN RE:** REVIEW OF LUMA'S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

**SUBJECT:** Motion to Submit List of Approved, Proposed, and Impending Contracts Including Operations Division and in Compliance with the August 29 Order

## MOTION TO SUBMIT LIST OF APPROVED, PROPOSED, AND IMPENDING CONTRACTS INCLUDING OPERATIONS DIVISION AND IN COMPLIANCE WITH THE AUGUST 29 ORDER

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

1. On June 25, 2023, the Energy Bureau issued a *Resolution and Order* ("June 25 Order") through which it determined the Consolidated Fiscal Year 2024 ("FY24") Budget. The Consolidated Fiscal Year 2024 ("FY24") budget has the following components: (i) the T&D budget developed by LUMA<sup>1</sup>, (ii) the generation budget developed by Genera PR, LLC ("Genera") for the PREPA subsidiary GENCO LLC ("GenCo"), and (iii) the budget developed by PREPA for its holding company, HoldCo, and its subsidiaries PREPA HydroCo LLC ("HydroCo") and PREPA PropertyCo, LLC ("PropertyCo").

2. Through the June 25 Order, the Energy Bureau, among other matters, ordered PREPA to file for review and approval, any new contract or amendment to an existing contract, before executing

<sup>&</sup>lt;sup>1</sup> LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively referred to as, "LUMA").

or making any award of such contract or amendment.

3. In response to the June 25 Order, between July 7 and July 20, 2023, PREPA submitted various contracts between PREPA and multiple contractors for review and approval by the Energy Bureau.<sup>2</sup> 4. On July 11, 2023, the Energy Bureau issued a Resolution and Order ("July 11 Order") through which it determined that PREPA did not comply with the criteria for the Energy Bureau's review of the contracts submitted by PREPA. The Energy Bureau stated that for the Energy Bureau to review and grant approval of these contracts, PREPA had to specify: 1) if these are the totality of the contracts to be executed during FY24 and 2) how the amounts referenced pertaining to these contracts fit within the FY24 Approved Budget. The Energy Bureau also ordered PREPA to certify that there was no duplicity of scopes of work between the efforts handled by LUMA, Genera, and/or PREPA.

5. Furthermore, on July 19, 2023, the Energy Bureau ordered PREPA to submit, in its future filings, a table including the approved and proposed contracts, the amounts approved and proposed for those contracts, the line items from the Non-Labor/Other Operating Expenses Category to which they correspond, and the remaining balance of budgeted amount for Non-Labor Expenses by line-item, as approved in the June 25 Order.<sup>3</sup>

6. Thereafter, on August 14, 2023, the Energy Bureau issued a *Resolution and Order* ("August 14 ROI Order"). The Energy Bureau then proceeded to state its mandate to ensure prudent use of

<sup>&</sup>lt;sup>2</sup> Motion to Submit PREPA's Contract for Professional Services in Compliance with Portion of the June 25 Order and Urgent Request for Approval dated July 7, 2023; Second Motion to Submit PREPA's Contracts for Professional and Technical Services in Compliance with Portion of the June 25 Order and Urgent Request for Approval dated July 7, 2023; Third Motion to Submit PREPA's Contracts for Professional and Technical Services in Compliance with Portion of the June 25 Order and Urgent Request for Approval dated July 7, 2023; Urgent Request for Approval of Four Contracts for Professional Services in Compliance with the June 25 and July 11 Orders dated July 12, 2023; PREPA's Informative Motion in Compliance with the July 11 and July 13 Orders dated July 14, 2023 and Motion to Submit the Amended Contract in Compliance with the July 19 Order dated July 20 2023.

<sup>&</sup>lt;sup>3</sup> Resolution and Order dated June 19, 2023 ("June 19 Order") at p. 3.

ratepayer funds and expressed that unjustified reliance on external consultants is unacceptable arguing that PREPA's proposed budgets and contracts should reflect judicious coordination between internal personnel and strictly necessary supplemental consulting engagements.

7. The August 14 ROI Order, among other things, stated that PREPA must demonstrate how

responsibilities are being distributed across its finance, regulatory, operations, and other internal

departments to reduce duplication and redundancy with any requested external services.

8. Furthermore, in the August 14 ROI Order the Energy Bureau, among other things, ordered

PREPA to comply with the following request for information:

a. provide the Energy Bureau with documentation of the steps that PREPA has undertaken and other support as PREPA may deem appropriate, to ensure that the contracts for which it seeks approval, are the most cost effective available;

b. provide with each request for contract approval, documentation of the steps that PREPA has undertaken and other support as PREPA may deem appropriate, to ensure that the contracts for which it seeks approval, are the most cost effective available;

c. provide demonstrated need of external consulting contracts adapted to the increased use of the existing T&D OMA and LGA OMA contractual realities of the entities that represent PREPA for most of its operational responsibilities and related regulatory matters;

d. provide a detailed demonstration of how PREPA's internal personnel and resources are being leveraged before proposing additional external consulting services;

e. provide evidence of sufficient internal controls and active supervision to confirm that ratepayer funds used for external consulting services are used judiciously;

f. demonstrate to the satisfaction of the Energy Bureau that it has exhausted all efforts in seeking to obtain and negotiate the most cost-effective contract possible for services rendered by KPMG see criteria set forth in (a) above - or re-negotiate and resubmit that contract for approval.

9. Thereafter, on August 16, 2023, the Energy Bureau issued a *Resolution and Order* that, among

other things, ordered PREPA to file a table including the totality of the approved and proposed

contracts for FY24, the amounts approved and proposed for those contracts, the line items from the category to which they correspond, and the remaining balance for that category considering said amounts ("August 16 Order").

10. After some procedural events, on September 1, 2023, PREPA submitted a document titled *PREPA's Motion for Reconsideration of Portions of the August 16 Order and in Compliance with the August 14 Request for Information and the August 16 Order* ("September 1 Motion"). Through the September 1 Motion PREPA, among other documents, submitted as Appendix F the required table of Approved and Requested Contracts which included the Non-Labor/ Other Operating Expenses for legal, security, and external audit services for the FY2024 Approved Budget.

11. As for the Operations Division, in the September 1 Motion, PREPA informed the Energy Bureau that it would develop competitive processes for the procurement of services, PREPA also stated it would inform the Energy Bureau of any competitive process completion and submit for the review and approval of the contracts for operations in a rolling basis. Notwithstanding, PREPA also specified it would submit a list of contracts or services already identified for operations in a filing early this week.

12. PREPA herein submits as Annex A an updated table for approved and requested contracts including the ones identified as needed by the Operations division of HoldCo and HydroCo. The list also includes contracts or services PREPA requires for which competitive processes are in progress, as conformed to the FY2024 approved budget. PREPA respectfully requests the Energy Bureau to evaluate Annex A in light of the arguments set forth in the September 1 Motion.

#### I. Proposed Contracts for the Energy Bureau's Review and Approval:

Annex A references the following professional services contracts for which PREPA herein seeks approval:

A. C2S Consulting, LLC ("CS2 Contract") Annex B- the Scope of Services to be provided by C2S Consulting to PREPA can be found in Article I of the C2S Contract which states that CS2 Consulting will provide professional services to PREPA in the form of updating the Plan of Classification and Remuneration of PREPA's Staff, for confidence and regular employee positions.

The C2S Contract shall be in effect from its date of execution until June 30, 2024 for the amount of \$29,000 from legal services budgeted line item in the FY 2024 Non-Labor Other Operating Expenses Category Budget as approved by the Energy Bureau. PREPA requires this professional services contract to comply with the Secretary of the Governor's Circular Letter (OSG-2022-002) which requests all government entities, specifically public corporations, to update the Classification and Remuneration Plans. Likewise, the Office of Administration and Transformation of Human Resources of the Government of Puerto Rico (OATRH) in compliance with OSG-2022-0002 issued the Special Memorandums 6-2022 and 4-2023 of March 1, 2022 and March 14, 2023, respectively, which requests some necessary information from the public corporations, including an updated status of the Classification and Remuneration Plan and the reference to the contractor performing such services.

B. Hogan Lovells US LLP- Hogan Lovells ("Hogan Lovells Contract") Annex C- the Scope of Services to be provided by Hogan Lovells to PREPA can be found in Article I of the Hogan Lovells Contract. Hogan Lovells will provide PREPA legal support, technical advice and representation to PREPA for all environmental compliance activities. Hogan Lovells will be required to assist PREPA to comply with the provisions of federal laws such as, but not limited to; Clean Air Act, Clean Water Act, Resource Conservation and

Recovery Act (RCRA), Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), and Mercury and Air Toxics Standards Regulations (MATS), among other laws, SO that PREPA can comply with these regulations. In addition, Hogan Lovells must represent PREPA in negotiations with the United States Environmental Protection Agency (EPA) and its legal representatives, and the United States Department of Justice (DOJ), regarding the terms and conditions of a federal consent decree in force since 1999, with the objective of providing PREPA with operational flexibility. As part of the Services, Hogan Lovells must be available, in coordination with PREPA representatives, to work with the Department of Energy (DOE), the United States Corps of Engineers (USCOE) the Federal Energy Regulatory Commission (FERC), and other entities regarding issues related to PREPA's services and operations. In addition, Hogan Lovells will provide support to PREPA and its accountants to identify environmental (and other regulatory obligations) that attach to the retirement of PREPA generation assets consistent with its implementation of generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) Statement No. 83 asset retirement obligations (AROs). The Hogan Lovells Contract shall be in effect from its date of execution until June 30, 2024 for the amount of \$150,000 from the Regulation and Environmental Inspection budget line item from the HoldCo Non-Labor/Other Operating Expenses category of the approved FY 2024 budget.

C. Tetra Tech, Inc.- Tetra Tech ("Tetra Tech Contract") Annex D- the Scope of Services to be provided by Tetra Tech to PREPA can be found in Article I of the Tetra Tech Contract and include professional services for engineering and technical support for the Bonus Nuclear Power Plant. Among others, the technical services include equipment calibration in compliance with state and federal regulations, annual comprehensive radiological survey, inspection and reporting, quarterly radiological surveys, as well as technical advice. Tetra Tech will also be responsible for climate change vulnerability assessment by phase and environmental support. The Tetra Tech Contract shall be in effect from its date of execution until June 30, 2024 for the amount of \$100,000 from the Regulation and Environmental Inspection budget line item from the HydroCo Non-Labor/Other Operating Expenses category of the approved FY 2024 budget.

PREPA herein certifies that the works to be performed by the CS2, Hogan Lovells and Tetra Tech firms are not duplicative of any scope of work being carried out by LUMA, Genera or PREPA.

#### II. Compliance with the Energy Bureau's August 29 Resolution and Order

Lastly, on August 29, 2023, the Energy Bureau issued a *Resolution and Order* ("August 29 Order"), whereby among other matters, the Energy Bureau ordered PREPA to, within five (5) business days (i.e. today, September 5, 2023) re-submit the amended Regulatory Compliance Services Corp. Contract for only the \$200,000 amount pertaining to the Title III and Reorganization portion of the budget for the Energy Bureau's review and approval. In compliance with the August 29 Order, PREPA herein submits the executed contract between PREPA and Regulatory Compliance Services Corp. Contract. *See*, Annex E.

WHEREFORE, PREPA respectfully requests the Energy Bureau to take NOTICE of the information provided, GRANT approval for PREPA to Execute submitted contracts ACCEPT the Regulatory Compliance Services Corp. Contract and FIND PREPA in compliance with the August 29 Order.

**RESPECTFULLY SUBMITTED.** 

In San Juan, Puerto Rico, this 5<sup>th</sup> day of September 2023.

<u>/s Maralíz Vázquez-Marrero</u> Maralíz Vázquez-Marrero TSPR 16,187 <u>mvazquez@diazvaz.law</u>

<u>/s Joannely Marrero-Cruz</u> Joannely Marrero Cruz TSPR 20,014 <u>jmarrero@diazvaz.law</u>

## DÍAZ & VÁZQUEZ LAW FIRM, P.S.C.

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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 and laura.rozas@us.dlapiper.com and to Genera-PR, LLC through its legal representatives jfr@sbgblaw.com; alopez@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com.

In San Juan, Puerto Rico, this 5<sup>th</sup> day of September 2023.

<u>/s Joannely Marrero-Cruz</u> Joannely Marrero Cruz Annex A

## **FY2024 HoldCo Approved Budget - Schedule of Approved and Requested Contracts** (\$ *in thousands*)

		F۱	Y2023		FY2024	\$ %	0
#	Description		OMB TIFIED	c	FOMB ERTIFIED 06.30	FOMB Certified Variance	
1	HoldCo Non-Labor Operating Expenses						
2	Materials & Supplies	\$	288	\$	29	\$ (259)	-89.9%
3	Transportation, Per Diem, and Mileage		242		26	(216)	-89.3%
4	Retiree Medical Benefits		9,000		7,950	(1,050)	-11.7%
5	Security		-		797	797	n.a.
6	Utilities & Rents		36		41	5	13.9%
7	Legal Services		-		728	728	n.a.
8	Communications Expenses		81		6	(75)	-92.6%
9	Professional & Technical Outsourced Services		2,485		554	(1,931)	-77.7%
10	Regulation & Environmental Expenses		-		744	744	n.a.
11	External Audit Services		2,509		357	(2,152)	-85.8%
12	Equipment, Inspections, Repairs & Other O&M		1,825		541	(1,284)	-70.4%
13	PREPA Restructuring & Title III		25,100		30,150	5,050	20.1%
14	FOMB Advisor Costs allocated to PREPA		24,400		32,821	 8,421	34.5%
15	Total HoldCo Non-Labor Operating Expenses	\$	65,966	\$	74,744	\$ 8,778	13.3%

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	PREB	Contract Number	Approval Date / Pending
16	Retiree Medical Benefits				
17	Benefits for Retirees less than 65 years old		\$ 7,600	2022-P00036	6/25/2023
18	Benefits for Retirees 65 years and older		350	2022-P00038	6/25/2023
19	Contracts for Retiree Medical Benefits		\$ 7,950		
20	Remaining Budget Funds Available		-		
21	FOMB Approved Budget for Retiree Medical Benefits		\$ 7,950		

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	PREB Approve		Contract Number	Approval Date / Pending
22	Security					
23	[CONTRACT PLACEHOLDER]					
24	Contracts for Security		\$	-		
25	Remaining Budget Funds Available			797		
26	Approved Budget for Security		\$	797		

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	PREB Approved	Contract Number	Approval Date / Pending
27 28	Utilities & Rents [CONTRACT PLACEHOLDER]				
29	Contracts for Utilities & Rents		\$-		
30	Remaining Budget Funds Available		41		
31	FOMB Approved Budget for Utilities & Rents		\$ 41		
#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	PREB Approved	Contract Number	Approval Date / Pending

#### FY2024 HoldCo Approved Budget - Schedule of Approved and Requested Contracts

(\$ in thousands)

32	Legal Services			
33	Díaz & Vázquez Law Firm, P.S.C.	\$ 200	2024-P00022	8/3/2023
34	González & Martínez Law Office, P.S.C.	350	2024-P00023	7/19/2023
35	Ing. Víctor Manuel Ruiz Pérez	20	2024-P00018	7/19/2023
36	Global Consultas Asociados, LLC	20	2024-P00009	7/19/2023
36	King and Spalding LLP	100	[TBU]	8/29/2023
37	C2S	29	[PENDING]	Submitted: 9/5/2023
38	Contracts for Legal Services	\$ 719		
39	Remaining Budget Funds Available	9		
40	FOMB Approved Budget for Legal Services	\$ 728		

#	Non-Labor Operating Expenses Detail by Contract	 REPA mitted	PRE Appro		Contract Number	Approval Date / Pending
41	Professional & Technical Outsourced Services					
42	ADP	\$ 46			2024-P00019	Re-Submitted: 9/1/2023
43	Fusionworks	478			[PENDING]	Re-Submitted: 9/1/2023
44	Nexvel	257			[PENDING]	Re-Submitted: 9/1/2023
45	Contracts for Professional & Technical Outsourced Services	\$ 781	\$	-		
46	Remaining Budget Funds Available	(227)		554		
47	FOMB Approved Budget for Professional & Technical Outsourced Services		\$	554		

#	Non-Labor Operating Expenses Detail by Contract	PR Subr	EPA nitted	_	PREB pproved	Contract Number	Approval Date / Pending
48	Regulation & Environmental Expenses						
49	Sargent & Lundy Puerto Rico (Tranche 1 Process)	\$	200	\$	200	[TBU]	8/28/2023
50	Hogan Lovells		150			[PENDING]	Re-Submitted: 9/5/2023
51	Contracts for Regulation & Environmental Expenses	\$	350	\$	200		
52	Remaining Budget Funds Available		394		544		
53	FOMB Approved Budget for Regulation & Environmental Expenses			\$	744		

#	Non-Labor Operating Expenses Detail by Contract	PREPA bmitted	PREI Approv		Contract Number	Approval Date / Pending
54	External Audit Services					
55	KPMG	\$ 1,200			[PENDING]	Submitted: 9/1/2023
56	Guzman & Co. CPA's	1,300			[PENDING]	Re-Submitted: 9/1/2023
57	Galindez, LLC	999			[PENDING]	Re-Submitted: 9/1/2023
58	Sargent & Lundy Puerto Rico	500			[PENDING]	Re-Submitted: 9/1/2023
59	Scott Madden	378			[PENDING]	Re-Submitted: 9/1/2023
60	Cavanaugh Macdonald	108			[PENDING]	Re-Submitted: 9/1/2023
61	Contracts for External Audit Services	\$ 4,485	\$	-		
62	Remaining Budget Funds Available	(4,128)		357		
63	FOMB Approved Budget for External Audit Services		\$	357		

# Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	PREB Approved	Contract Number	Approval Date / Pending

#### 64 Equipment, Inspections, Repairs & Other O&M

65 [CONTRACT PLACEHOLDER]

**FY2024 HoldCo Approved Budget - Schedule of Approved and Requested Contracts** (\$ *in thousands*)

66	Contracts for Equipment, Inspections, Repairs & Other O&M	\$	-
67	Remaining Budget Funds Available	541	541
68	FOMB Approved Budget for Equipment, Inspections, Repairs & Other O&M	\$	541

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	4	PREB Approved	Contract Number	Approval Date / Pending
69	PREPA Restructuring & Title III					
70	O'Melveny & Myers LLP		\$	9,000	2024-P00014	7/13/2023
71	Ankura Consulting Group LLC			6,600	2024-P00016	7/13/2023
72	Díaz & Vázquez Law Firm, P.S.C.			2,000	2024-P00022	8/3/2023
73	King and Spalding LLP			1,000	[PENDING]	PREB Approval 7/13/2023, Pending FOMB Approval
74	Baker Donelson Caribe LLC			200	2024-P00017	7/19/2023
75	Regulatory Compliance Service Corp.			200	2024-P00024	7/19/2023
76	Contracts for PREPA Restructuring & Title III		\$	19,000		
77	LUMA Budget for Title III Expenses			8,750		
78	Remaining Budget Funds Available			2,400		
79	FOMB Approved Budget for PREPA Restructuring & Title III		\$	30,150		

#	NME Detail	PREPA bmitted	PREI Approv		Contract Number	Approval Date / Pending
80	Necessary Maintenance Expense ("NME")					
81	BONUS Plant - DOE Requirements	\$ 187			[TBD - Awaiting Proposal]	To be submitted upon contract proposal receipt and selection.
82	Facility Maintenance	139			[TBD - Awaiting Proposal]	To be submitted upon contract proposal receipt and selection.
83	Other Property PREPA Security System	271			[TBD - Awaiting Proposal]	To be submitted upon contract proposal receipt and selection.
84	Vegetation Management Equipment	48			[TBD - Awaiting Proposal]	To be submitted upon contract proposal receipt and selection.
85	Contracts for Necessary Maintenance Expense ("NME")	\$ 645	\$	-		
86	Remaining Budget Funds Available	-		645		
87	FOMB Approved Budget for Necessary Maintenance Expense ("NME")		\$	645		

FY2024 HydroCo (Water Admin) Approved Budget - Schedule of Approved and Requested Contracts

(\$ in thousands)

		F١	/2023	F	Y2024	-	\$	%	, 0
#	Description		omb Tified <sup>1</sup>	CEF	OMB RTIFIED 06.30			Certified ance	
1	HydroCo Non-Labor Operating Expenses								
2	Materials & Supplies	\$	1,223	\$	724	\$	(499)		-40.8%
3	Transportation, Per Diem, and Mileage		335		244		(91)		-27.2%
4	Security <sup>2</sup>		1,795		1,712		(83)		-4.6%
5	Utilities & Rents		7		80		73		1085.2%
6	Professional & Technical Outsourced Services		1,235		187		(1,048)		-84.9%
7	Regulation & Environmental Expenses		-		731		731		n.a.
8	Equipment, Inspections, Repairs & Other O&M		2,609		1,792		(817)		-31.3%
9	Total HydroCo Non-Labor Operating Expenses	\$	7,204	\$	5,470	\$	(1,734)		-24.1%
8 9		\$		\$	, .	\$	· /		

<sup>1</sup> The FY23 HydroCo (Water Administration) budget was included in the FY23 FOMB Certified GenCo budget. As shown, HydroCo divests budget expenses from the Generation budget for FY24.

<sup>2</sup> FY23 FOMB Certified Budget for Security updated to reflect appropriate allocation.

#	Non-Labor Operating Expenses Detail by Contract		REPA mitted	PREB Approved	Contract Number	Approval Date / Pending
<b>10</b> 11 12	Security Génesis Security Services, Inc South Génesis Security Services, Inc North	\$	394 370			ICo contract submitted on 7/7/2023 ICo contract submitted on 7/7/2023
13	Protective Security Systems, Inc		20		[TBD - Awaiting Proposal]	To be submitted upon contract proposal receipt and selection.
14 <b>15</b>	CCG Consultants, LLC Contracts for Security	\$	12 796	<u>s</u> -	Amounts are included in the Hold	dCo contract submitted on 7/7/2023
16	Remaining Budget Funds Available	Ŷ	916	1,712		
17	FOMB Approved Budget for Security			\$ 1,712		1
#	Non-Labor Operating Expenses Detail by Contract		REPA mitted	PREB Approved	Contract Number	Approval Date / Pending
18	Professional & Technical Outsourced Services					
19	Siemens	\$	200		[TBD - Awaiting Proposal]	To be submitted upon contract proposal receipt and selection.
20	Contracts for Professional & Technical Outsourced Services	\$	200	\$ -		p - p
21 <b>22</b>	Remaining Budget Funds Available FOMB Approved Budget for Professional & Technical Outsourced Services		(13)	187 \$ 187		
#	Non-Labor Operating Expenses Detail by Contract		REPA mitted	PREB Approved	Contract Number	Approval Date / Pending
23	Regulation & Environmental Expenses			<b>• •</b>		0// //0000
24 25	ConWaste - Consolidated Waste Services LLC Tetratech (BONUS Plant)	\$	50 100	\$ 50	[TBU] [PENDING]	8/14/2023 Submitted: 9/5/2023
26	Caroline Rivera		100		[TBD - Awaiting Proposal]	To be submitted upon contract proposal receipt and selection.
27	Professional Licensed Engineer - Civil (Contractor to be selected through a Competitive Process)		150		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
28	Oil Contact Water Disposal (Shared Services Ending - Contractor to be selected through a Competitive Process)		90		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
29	Disposal of Hydrocarbon Contaminated Items (Shared Services Ending - Contractor to be selected through a Competitive Process)		90		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
30	Disposal of Non-Hazardous Industrial Waste (Shared Services Ending - Contractor to be selected through a Competitive Process)		90		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
31	Contracts for Regulation & Environmental Expenses	\$	670	\$ <b>50</b> 681		
32 <b>33</b>	Remaining Budget Funds Available FOMB Approved Budget for Regulation & Environmental Expenses		61	\$ 731		
#	Non-Labor Operating Expenses Detail by Contract		REPA mitted	PREB Approved	Contract Number	Approval Date / Pending
34	Equipment, Inspections, Repairs & Other O&M					<b>.</b>
35	Consulting Firm (Contractor to be selected through a Competitive Process)	\$	100		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
36	Equipment Supplier A (Contractor to be selected through a Competitive Process)		28		[TBD - Competitive Process]	To be submitted upon completion of competitive process.

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37	Equipment Supplier B (Contractor to be selected through a Competitive Process)		65		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
38	Transformers (Shared Services Ending - Contractor to be selected through a Competitive Process)		50		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
39	Generators & Breakers (Shared Services Ending - Contractor to be selected through a Competitive Process)		50		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
40	Air Conditioning Systems (Shared Services Ending - Contractor to be selected through a Competitive Process)		50		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
41	Pumps & Electric Motors (Shared Services Ending - Contractor to be selected through a Competitive Process)		75		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
42	Welders & Mechanics (Shared Services Ending - Contractor to be selected through a Competitive Process)		80		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
43	Piping (Shared Services Ending - Contractor to be selected through a Competitive Process)		60		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
44	HMI, Automatic Controls & Electronic Systems (Shared Services Ending - Contractor to be selected through a Competitive Process)		30		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
45	Machine Shop (Shared Services Ending - Contractor to be selected through a Competitive Process)		80		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
46	Septic Tank Services (Shared Services Ending - Contractor to be selected through a Competitive Process)		12		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
47	Heavy Equipment (Shared Services Ending - Contractor to be selected through a Competitive Process)		100		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
48	Misc. Equipment, Parts & Materials (Shared Services Ending - Contractor to be selected through a Competitive Process)		90		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
49	Other Services According to Necessities (Shared Services Ending - Contractor to be selected through a Competitive Process)		90		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
50	Pest Control (Shared Services Ending - Contractor to be selected through a Competitive Process)		25		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
51	Crane Rental (Shared Services Ending - Contractor to be selected through a Competitive Process)		80		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
52	Contracts for Equipment, Inspections, Repairs & Other O&M	\$	1,065			
53	Remaining Budget Funds Available		727	1,792		
54	FOMB Approved Budget for Equipment, Inspections, Repairs & Other O&M	_		\$ 1,792		_
#	NME Detail		REPA nitted	PREB Approved	Contract Number	Approval Date / Pending
55	Necessary Maintenance Expense ("NME")					
56	LT Automation	\$	900		[TBD - Awaiting Proposal]	To be submitted upon contract proposal receipt and selection.
57	Contractor - Roof Sealing/Battery Bank/Coating and other(Contractor to be selected through a Competitive Process)		566		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
58	Consulting Engineering Firm (Contractor to be selected through a Competitive Process)		226		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
59	Security System for Remote Supervisory (TBD - Awaiting Contract Proposals)		168		[TBD - Awaiting Proposals]	To be submitted upon contract proposal receipt and selection.
60	Vegetation Management Equipment (TBD - Awaiting Contract Proposals)		45		[TBD - Awaiting Proposals]	To be submitted upon contract proposal receipt and selection.
61	Retrofit of Turbines (Contractor to be selected through a Competitive Process)		566		[TBD - Competitive Process]	To be submitted upon completion of competitive process.
62	Contracts for Necessary Maintenance Expense ("NME")	\$	2,471			
63	Remaining Budget Funds Available		-	2,471		
64	FOMB Approved Budget for Necessary Maintenance Expense ("NME")			\$ 2,471		

#### FY2024 HoldCo Approved Budget - Schedule of Contracts Not Under PREB Consideration

(\$ in thousands)

			FY2023		FY2024	\$%	
#	Description	C	FOMB ERTIFIED	СІ	FOMB ERTIFIED 06.30	FOMB Certified Variance	
1	HoldCo Non-Labor Operating Expenses						
2	Materials & Supplies	\$	288	\$	29	\$ (259)	-89.9%
3	Transportation, Per Diem, and Mileage		242		26	(216)	-89.3%
4	Retiree Medical Benefits		9,000		7,950	(1,050)	-11.7%
5	Security		-		797	797	n.a.
6	Utilities & Rents		36		41	5	13.9%
7	Legal Services		-		728	728	n.a.
8	Communications Expenses		81		6	(75)	-92.6%
9	Professional & Technical Outsourced Services		2,485		554	(1,931)	-77.7%
10	Regulation & Environmental Expenses		-		744	744	n.a.
11	External Audit Services		2,509		357	(2,152)	-85.8%
12	Equipment, Inspections, Repairs & Other O&M		1,825		541	(1,284)	-70.4%
13	PREPA Restructuring & Title III		25,100		30,150	5,050	20.1%
14	FOMB Advisor Costs allocated to PREPA		24,400		32,821	8,421	34.5%
15	Total HoldCo Non-Labor Operating Expenses	\$	65,966	\$	74,744	\$ 8,778	13.3%

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	Contract Number	Submission Date
16	Security			
17	CCG Consultants, LLC	100	2024-P00008	7/7/2023
18	Génesis Security Services, Inc South	5,643	2023-P00077A	7/7/2023
19	Génesis Security Services, Inc North	5,907	2023-P00084A	7/7/2023
20	Proposed Contracts for Security	\$ 11,650		
21	Total PREB Approved Contracts for Security	\$-		
22	Remaining Budget Funds Available	(10,853)		
23	FOMB Approved Budget for Security	\$ 797		

#	Non-Labor Operating Expenses Detail by Contract	PREI Submit		Contract Number	Submission Date
24	Utilities & Rents				
25	Ricoh Puerto Rico		115	2023-P00129	7/7/2023
26	Proposed Contracts for Utilities & Rents	\$	115		
27	Total PREB Approved Contracts for Utilities & Rents	\$	-		
28	Remaining Budget Funds Available		(74)		
29	FOMB Approved Budget for Utilities & Rents	\$	41		
29	FUMB Approved Budget for Utilities & Rents	Φ	41		

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	Contract Number	Submission Date
30	Professional & Technical Outsourced Services			
31	ADP	46	2024-P00019	7/7/2023

#### FY2024 HoldCo Approved Budget - Schedule of Contracts Not Under PREB Consideration

(\$ in thousands)

32	Fusionworks	478	2024-P00010	7/7/2023
33	Nexvel	259	2024-P00002	7/7/2023
34	EDR Solutions, LLC	300	2024-P00007	7/7/2023
35	Ruth Hilda Garcia Cintron (Retirement System Managerial Functions Contract)	69	2024-P00001	7/7/2023
36	Siemens Industry, Inc	1,000	2023-P00091A	7/7/2023
37	Global Consultas Asociados, LLC	220	[PENDING]	7/7/2023
38	Proposed Contracts for Professional & Technical Outsourced Services	\$ 2,373		
39	Total PREB Approved Contracts for Professional & Technical Outsourced Services	\$ -		
40	Remaining Budget Funds Available	(1,819)		
41	FOMB Approved Budget for Professional & Technical Outsourced Services	\$ 554		

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	Contract Number	Submission Date
42	Regulation & Environmental Expenses			
43	Hogan Lovells	500	[PENDING]	7/7/2023
44	Proposed Contracts for Regulation & Environmental Expenses	\$ 500	-	
45	Total PREB Approved Contracts for Regulation & Environmental Expenses	\$ 200		
46	Remaining Budget Funds Available	44	_	
47	FOMB Approved Budget for Regulation & Environmental Expenses	\$ 744	_	

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	Contract Number	Submission Date
48	External Audit Services			
49	Guzman & Co. CPA's	1,300	2024-P00005	7/7/2023
50	Galindez, LLC	999	2024-P00006	7/7/2023
51	Sargent & Lundy Puerto Rico	500	2024-P00011	7/7/2023
52	Scott Madden	378	2024-P00015	7/7/2023
53	Cavanaugh Macdonald	108	2024-P00003	7/7/2023
54	Proposed Contracts for External Audit Services	\$ 3,285		
55	Total PREB Approved Contracts for External Audit Services	\$-		
56	Remaining Budget Funds Available	(2,928)		
57	FOMB Approved Budget for External Audit Services	\$ 357		

#	Non-Labor Operating Expenses Detail by Contract	PREPA Submitted	Contract Number	Submission Date
58	Equipment, Inspections, Repairs & Other O&M			
59	[CONTRACT PLACEHOLDER]			
60	Proposed Contracts for Equipment, Inspections, Repairs & Other O&M	\$-	-	
61	Total PREB Approved Contracts for Equipment, Inspections, Repairs & Other O&M	\$-	-	
62	Remaining Budget Funds Available	541	_	
63	FOMB Approved Budget for Equipment, Inspections, Repairs & Other O&M	\$ 541	-	

Annex B

## GOVERNMENT OF PUERTO RICO PUERTO RICO ELECTRIC POWER AUTHORITY PROFESSIONAL SERVICES CONTRACT

------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, Josué A. Colón Ortiz, of legal age, married, and resident of Caguas, Puerto Rico.

-----WITNESSETH------

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

WHEREAS, Pursuant Section 205 (2) (d) of Act No. 83 competitive bidding shall not be necessary when professional or expert services or work are required and PREPA

deems it in the best interests of good administration for such works or services to be contracted without such announcements.-----

WHEREAS, on February 25, 2022, the Secretary of the Governor issued a Circular Letter (OSG-2022-002) requesting all the government entities, specifically public corporations, to update the Classification and Remuneration Plans. Also, in accordance with Circular Letter OSG-2022-002, the Office of Administration and Transformation of Human Resources of the Government of Puerto Rico (OATRH) issued the Special Memorandums 6-2022 and 4-2023 of March 1, 2022 and March 14, 2023, respectively, which request some necessary information of the public corporations. Among the information requested by OATRH is the status of the Classification and Remuneration Plans and the status of the update.-----

WHEREAS, PREPA needs to comply with OSG-2022-002 and the Special Memorandums 6-2022 and 4-2023 and desires to enter into this Contract with the Consultant for the performance of professional services.-----

WHEREAS, the Consultant states that it is ready, willing and able to provide the Services pursuant to the terms and conditions set forth herein.-----

NOW THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, PREPA and the Consultant agree as follows:-----

#### -----TERMS AND CONDITIONS------

#### Article 1. Scope of Services

In accordance with the terms and conditions set forth herein, Consultant will provide to PREPA its professional services to update the Plan of Classification and Remuneration of PREPA's Staff, for confidence and regular employee positions. The Consultant also will submit any documents that are necessary and pertinent for the performance of her duties under the provision of this Contract.-----

## Article 2. Services Coordination

All the Services of Consultant in relation to the terms and conditions of this Contract will be coordinated through PREPA's Human Resources and Labor Affairs Director or its authorized representative. -----

## Article 3. Contract Assignment or Subcontract

The Consultant shall not assign nor subcontract his rights and obligations under this Contract, except in the event PREPA give written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Consultant delivers to 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 Consultants' rights under the subcontract, in the event that PREPA declares the Consultant 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 Consultants' 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. A request to subcontract shall specify the issues or matters that will be referred to the subcontractor. These services shall be paid as part of the Contract Amount, as stated in Article 6, Payment.

#### Article 4. Contract Term

This Contract shall be in effect from its execution until June 30, 2024 (The Contract Period).

## Article 5. Contract Termination

5.1 PREPA shall have the right to terminate this Contract, at any time, with thirty (30) days prior written notice by registered mail, return receipt requested, or overnight express mail to the Consultant. If notice is given, the Contract shall terminate upon the expiration of the 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) days notice period. The Consultant shall have no further right to compensation except for what has been accrued for services rendered and expenses incurred under the Contract until said date of effective termination.

5.2 PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Consultant, without prior written notice.

## Article 6. Payment

- 6.1 In accordance with the terms and conditions contained herein, PREPA agrees, and Consultant accepts that the total amount to be paid under the Contract shall not exceed a cumulative amount of twenty-nine thousand dollars (\$29,000) ("Contract Amount"). All payments to be made under this Contract will be charged to account 01-4019-92312-556-615. PREPA will only pay for Services already rendered before the submitted invoice date. PREPA will not be required to make advance payments for any future service to be rendered by Consultant under the Contract.--
- 6.2 Nothing herein shall preclude the Parties from agreeing to increase said amount in writing and signed by both Parties. -----
- 6.3 PREPA will pay the Consultant for its services according to the rates established in the Appendix A of this Contract. -----
- 6.4 The Consultant shall immediately notify PREPA when the billing under the Contract amounts seventy-five percent (75%) of the Contract Amount. Once this notification has been issued, the Consultant, in coordination with PREPA, will ensure that no services will be rendered in excess of the Contract Amount, except that a written amendment is agreed upon by both Parties. In addition, the

Consultant shall present an itemized list of the remaining billable Services under the Contract. -----

## Article 7. Invoices

- 7.1 Consultant shall submit his invoices on a monthly basis for the work already performed during the preceding month. Consultant will provide to PREPA an invoice for each billing period which will include a description of the services rendered and the number of hours spent. The invoice for professional services shall be itemized and must be duly certified by the Consultant. -----
- 7.2 PREPA will review the invoices within thirty (30) days of receipt, and if they are in compliance with the requirements set forth in this Contract, it will proceed with payment. Payment is due within sixty (60) days of the receipt of the invoice. PREPA reserves the right to conduct the audits it deems necessary, and it will not be subject to finance charges regarding invoice payments subject to an audit. -----
- 7.3 All invoices submitted by Consultant shall include the following Certification in order to proceed with its payment: -----

No Interest Certification:

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

total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received".

## Consultant's Signature

This is an essential requirement and those invoices without this Certification will not be processed for payment. In order to comply with the certification requirements set forth above, Consultant shall require that subcontractors, if any approved by PREPA, providing Services also make the certification set forth above in any invoices submitted in connection with the Services. -----

## Article 8. Transfer of Funds

- 8.2 Consultant acknowledges and agrees that PREPA may deduct any amount, due or payable under this Contract, that Consultant owes; PREPA may retain any said amount if Consultant fails to fulfill his obligations and responsibilities under this

Contract, or a claim arises for warranty or defects regarding the services rendered or goods provided under this Contract. Consultant 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 Consultant is entitled to under this Contract. -----

8.3 Consultant 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 9. Information and Material Facts

9.1 PREPA shall promptly provide to Consultant all information under the control of PREPA and necessary for Consultant to perform the Services under this Contract and those material facts that Consultant may reasonably require in order to provide his Services to PREPA. PREPA will ensure, to the best of its knowledge and belief, that the documents, data, and other information and material facts provided to Consultant, which are under his control, are true and complete, and does not constitute misleading or inaccurate information and Consultant shall be entitled to rely on the accuracy and completeness of the documents, data, and other information and material facts.

9.2 PREPA will advise in writing Consultant of any developments of which PREPA becomes aware, and which PREPA considers may have a material effect with respect to the information and/or facts provided to Consultant. -----

#### Article 10. Information Disclosure and Confidentiality

- 10.1 The Parties shall take all reasonable steps to keep confidential and use only for the purposes contemplated by the terms of the Contract the information provided by PREPA and/or Consultant and take all reasonable steps to ensure that such information is not disclosed or distributed by its employees or agents in violation of the terms of this Contract. -----
- 10.2 The Parties also agree that, except as agreed to in writing by both Parties, they will not, at any time after termination of this Contract, disclose any confidential information to any person whatsoever, or permit any person whatsoever to examine and/or make copies of any reports prepared by Consultant or under his control by reason of his consulting services, and that upon termination of this Contract each Party will turn over to the other all documents, papers, and other matters in his possession or under his control that relate to the other Party. Consultant may retain one file copy for his records.
- 10.3 The term "confidential information" shall include, but not be limited to, all information provided to Consultant by PREPA or at PREPA's direction regarding its facilities or operations and any and all information gathered or developed by Consultant regarding the same. The Parties further agree that proprietary

records and documents related to Consultant's business operations are confidential to Consultant and will not be disclosed to PREPA or other Parties, except as ordered by the court. The Parties agree that PREPA will resist any attempt by opposing counsel or other Parties to obtain Consultant's proprietary information. The term "confidential information", however, will not include information that: -----

- (i) is or becomes public other than through a breach of this Contract; --
- (ii) is known to the receiving Party prior to the date of this Contract and with respect to which the receiving Party does not have any obligation of confidentiality; or-----
- (iii) is independently developed by the receiving Party without use of, or reference to, confidential information. -----
- 10.4 The Parties acknowledge that disclosure of any confidential information by either Party will give rise to irreparable harm to the injured Party inadequately compensable in damages. Accordingly, either Party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies, which may be available. ----10.5 If this Contract terminates for any reason, Consultant shall maintain in strictest confidence both; during the term of this Contract and subsequent to termination of this Contract, and shall not during the term of this Contract or thereafter disclose or divulge to any person, firm, or corporation, or use directly or indirectly,

- 10.6 The above provisions do not apply with respect to information, which Consultant is requested to disclose under applicable law and regulations, court order, subpoena or governmental directives, in which case Consultant shall provide PREPA prompt notice of such request in order to procure for PREPA a reasonable opportunity to oppose such disclosure. Consultant agrees to expeditiously notify and submit to PREPA a copy of any court order or subpoena and to the extent possible provide any assistance to PREPA (in the form of documents) regarding the submission of such information. -----
- 10.7 With respect to this Contract and any information supplied in connection with this Contract and designated by the disclosing Party as confidential, the recipient agrees to: (i) protect the confidential information in a reasonable and appropriate

manner and in accordance with applicable professional standards; (ii) use confidential information only to perform his obligations under this Contract; and (iii) reproduce confidential information only as required to perform his obligations under this Contract.-----

#### Article 11. Rights and Titles

- 11.1 The Consultant will submit any reports reasonably required by PREPA regarding the Services performed under this Contract. If required by PREPA, at the completion of any assigned task, the Consultant will submit a final written report describing the work it has performed. This requirement shall not be interpreted as a waiver by PREPA of Consultant's ethical obligation and responsibility of keeping PREPA informed of the progress of the assigned matters. -----
- 11.2 All rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by the Consultant exclusively for PREPA as a result of performing his obligations under this Contract shall be the exclusive property of PREPA. The Consultant shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract. With the exception of items marked as "CONFIDENTIAL" by the Consultant, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any reports, documents, analyses, investigations or any

other by-product of the Services performed by the Consultant under this Contract.

## Article 12. Copyright

Consultant and PREPA shall jointly defend any suit or action brought against either party based on a claim that any document, report, study, analysis, copyrighted composition, article or any by-product of those, either used in the performance of the Services by Consultant or provided to PREPA by Consultant as part of his Services, 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. The Party of this Contract subject to the claim or that becomes aware of a potential claim shall promptly notify in writing the other Party of this Contract, and give the authority, information, and assistance reasonable and necessary for the defense of such claim. ------

## Article 13. Warranty

13.1 Consultant warrants that it shall perform the Services in accordance with the applicable standards of care and diligence at the time of performance of the Services, and which are normally practiced and recognized in performing services of a similar nature (the "Standard"). Should any of the Services provided by Consultant not fulfill the above established Standard, Consultant shall take all necessary corrective measures to rectify such deficient Services, at his own and exclusive cost, whenever such course of action is possible or desirable. The rectification of deficient Services by Consultant shall not be

understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law or equity for any damages that Consultant's may have caused to it by rendering such deficient Services. ------

13.2 No other warranty, express or implied, is made or intended by this Contract, by furnishing oral or written reports of findings made, or by any other act of Consultant. -----

## Article 14. Responsibility for Damages

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.

## Article 15. Independent Contractor

- 15.1 Consultant shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by Consultant for the performance of his obligations herein, shall be considered as his employees or agents, and not as employees or agents of PREPA.
- 15.2 As an independent contractor, Consultant shall not be entitled to any fringe benefits, such as, but not limited to vacation, sick leave, and to which PREPA's employees are entitled.

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#### Article 16. Employees not to Benefit

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

#### Article 17. Conflict of Interest

- 17.1 Consultant certifies that none of his representatives under this Contract receive payment or compensation of any nature, for the services regularly rendered through an appointment in another government agency, body, public corporation or municipality of Puerto Rico. Consultant also certifies that it may have other consulting services contracts with other governmental agencies or bodies, but such condition does not constitute a conflict of interest for Consultant. ------
- 17.2 Consultant acknowledges that in executing his services pursuant to this Contract it has a duty of complete loyalty towards PREPA which includes not having conflict of interest. "Conflict of Interest" means representing clients who have or may have interests that are contrary to PREPA but does not include rendering services that are unrelated to the services covered in this Contract. Also, Consultant shall have the continuous obligation to disclose to PREPA all information and circumstances of his relations with clients and third persons that would result in a conflict of interest which would influence the Consultant when performing his responsibilities under this Contract.

- 17.3 The Parties understand and agree that a conflict of interest exists when Consultant must advocate a position or outcome on behalf of any existing or future client that is contrary to PREPA's interests. Also, any conduct defined in the Rules of Professional Conduct regarding conflict of interests shall apply to Consultant and his personnel. -----
- 17.4 Consultant acknowledges that PREPA's Executive Director shall have the power to intervene with the acts of Consultant and/or his agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. In the event that the existence of adverse interests is discovered, the PREPA's Executive Director shall inform Consultant in writing of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, Consultant may request a hearing with the Executive Director to present his arguments regarding the alleged conflict of interests. In the event that Consultant does not request such hearing during the specified thirty (30) day period or the controversy is not satisfactory settled during the hearing, this Contract shall be canceled.
- 17.5 The Consultant certifies that, at the time of the execution of this Contract, it does not have, nor does it represent anyone who has Conflict of Interests with PREPA. If such Conflict of Interest arises after the execution of the Contract, the Consultant shall notify PREPA immediately. ------

## Article 18. Notices

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or postage prepaid, by registered, certified or express mail (return receipt requested) or reputable overnight courier service and shall be deemed given when so delivered by hand, or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the Parties to the following addresses:-----

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

Attention: Josué A.Colón Ortiz Executive Director

To Consultant: Sr. Jesús Colón Contreras Managing Partner Lote #6 Ofic. 205 Metro Office Park Guaynabo, PR 00968

## Article 19. Applicable 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 appearing Parties may have among them regarding the terms and conditions of this Contract.

#### Article 20. Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which cause an increase in Consultant's costs when providing the services, shall be Consultant's responsibility and PREPA shall not be obligated to increase the Contract Amount. -----

#### Article 21. Force Majeure

- 21.1 The Parties shall be excused from performing their respective responsibilities and obligations under this Contract and shall not be liable in damages or otherwise, if and only to the extent that they are unable to perform or are prevented from performing by a force majeure event. -----
- 21.2 For purposes of this Contract, force majeure means any cause without the fault or negligence, and beyond the reasonable control of, the Party claiming the occurrence of a force majeure event. -----
- 21.3 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 without 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 event has occurred shall be on the Party claiming the force majeure.

## Article 22. Novation

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

### Article 23. <u>Severability</u>

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

### Article 24. Save and Hold Harmless

The Consultant agrees to save and hold harmless and to indemnify PREPA for all expenses and costs of any nature (including reasonable attorneys' fees) incurred by PREPA arising out of any third party claim made by any person for bodily injuries,

including death, or for property damage, to the extent directly caused by the Consultant by the negligent act or omission, in the performance or nonperformance of his obligations under the Contract, but not to the point directly caused by negligence or tort of PREPA or a third party, which is not an employee or subcontractor of the Consultant. With respect to any indemnity set forth in this Contract, each indemnity shall give prompt notice of its receipt of any threat, indication or other notice of any claim, investigation or demand that might give rise to any losses required to be indemnified hereunder and shall reasonably cooperate in the defense of such claim. The indemnifying party shall have the right to conduct defense of such action at his sole expense.

### Article 25. Insurance

The Consultant 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:-----

## 1. <u>Commonwealth of Puerto Rico Workmen's Compensation Insurance</u>:

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

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

### 2. Employer's Liability Insurance:

The Consultant shall provide Employer's Liability Insurance with a 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 Consultant 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.-----

## 3. <u>Commercial General Liability Insurance</u>:

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

## 4. Commercial Automobile Liability Insurance:

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

## 5. <u>Professional Liability Insurance</u>:

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 (PREPA) 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 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."-----

## Furnishing of Policies:

All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico.-----

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

## Article 26. <u>Compliance with the Commonwealth of Puerto Rico Contracting</u> <u>Requirements</u>

A. The Consultant will comply with all applicable laws, regulations and executive orders that regulate the contracting process and requirements of the Government of Puerto Rico, including Act 73-2019, as amended, known as the "2019 General Services Administration Act for the Centralization of Purchases of the Government of Puerto Rico" (Act 73-2019). In compliance with the provisions of Act 73-2019, the Consultant has provided PREPA the Certification of Eligibility of the Unique Registry of Professional Services Providers (known in Spanish as "Certificado de Elegibilidad del Registro Único de Proveedores de Servicios Profesionales", and hereinafter referred to as the "RUP Certification"), issued by the General Services Administration. It is hereby acknowledged that pursuant to the provisions of Article 42 of Act 73-2019, a valid RUP Certification serves as evidence of compliance with the documentation requirements necessary for contracting professional services with the Government of Puerto Rico, particularly those applicable under Act 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico (3 LPRA 8611 et seq.), the Puerto Rico Department of Treasury Circular Letter Number 1300-16-16 issued on January 22, 2016, as amended, and the sworn statement before notary public required pursuant to Article 3.3 of Act 2-2018.-----

- B. 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. ------
- C. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. Seq., the Consultant 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. -----
- D. 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 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 Consultant will request PREPA not to make such withholdings if, to the satisfaction of PREPA, the Consultant timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R.A. 232; 232-2011. ------
- E. Compliance with Act 1 of Governmental Ethics: The Consultant 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.; -----

- F. Act 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People: The Consultant 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.-----
- G. 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 18 of October 30, 1975, as amended. -----
- H. 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.-----

- I. 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.-----
- J. 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.-----
- K. 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.------

- L. 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.------
- M. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.-----
- N. Rules of Professional Ethics: The Consultant acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions.-----
- O. Provisions Required under Act 14-2004: Consultant agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available. -----

<u>Consequences of Non-Compliance</u>: The Consultant 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, and the Consultant shall reimburse the PREPA all moneys received under this Contract.

#### Article 27. Anti-Corruption Code for a New Puerto Rico

Consultant 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 Consultant 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. ------Consultant shall furnish a sworn statement to the General Services Administration to the effect that neither Consultant 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 Consultant has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended (Act 8-2017), 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.-----Consultant 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, 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 Consultant 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, 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.---

### Article 28. Non-Discrimination

The Consultant agrees that it will 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 29. Contractor's Certification Requirement

The Parties acknowledge that the Consultant 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 Consultant. A signed copy of the "Contractor Certification Requirement" is included as an annex to this Contract.------

The Consultant represents and warrants that the information included in the Contractor Certification Requirement is complete, accurate and correct, and that any misrepresentation, inaccuracy of falseness in such Certification will render the Contract null and void and the Consultant will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Contract. ------

# Article 30. Transfer of Skills and Technical Knowledge

For this Contract, as amended, 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 31. Entire Contract

this \_\_\_\_\_ day of \_\_\_\_\_, 2023. ------

Puerto Rico Electric Power Authority

C2S Consulting, LLC

Josué A. Colón Ortiz Executive Director Tax ID: 660-43-3747 Jesús Colón Contreras Consultant Tax ID: 660-81-2054 Jesus.colon@c2spr.com Annex C

# GOVERNMENT OF PUERTO RICO PUERTO RICO ELECTRIC POWER AUTHORITY PROFESSIONAL SERVICES CONTRACT

-----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, Josué A. Colón Ortiz, of legal age, married, and resident of Caguas, Puerto Rico. ------AS SECOND PARTY: Hogan Lovells US, LLP (Contractor) a limited liability partnership organized and existing under the laws of District of Colombia herein represented by Adam M. Kushner, its Partner, of legal age, and resident of the State of Maryland, United States of America, whose authority of representation is evidenced by Power of Attorney dated June 27, 2022.-----Both PREPA and Contractor are herein individually referred to as a Party and collectively referred to as the Parties. ------WHEREAS, PREPA, by virtue of Act 83 has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs

and operations of PREPA;-----

WHEREAS, Pursuant Section 205 (2) (d) of Act 83 competitive bidding shall not be necessary when professional or expert services or work are required and PREPA deems it in the best interests of good administration for such works or services to be contracted without such announcements.-----

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Contract, hereinafter stated, the Parties agree themselves, their personal representatives, and successors to enter into this Contract under the following:

-----TERMS AND CONDITIONS------

#### Article 1. Scope of Services

1.1 The Contractor will provide legal support, technical advice and representation to PREPA for all environmental compliance activities required, as PREPA works to reconfigure its fleet of oil-powered units and chart a course for its future following the Integrated Resource Plan. As part of the services, the Contractor will be required to assist PREPA to comply with the provisions of federal laws such as, but not limited to; Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act (RCRA), Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), and Mercury and Air Toxics Standards Regulations (MATS), among other laws, so that PREPA can comply with these regulations. In addition, the Contractor must represent PREPA in negotiations with the United States Environmental Protection Agency (EPA) and its legal representatives, and the United States Department of Justice (DOJ), regarding the terms and conditions of a federal consent decree in force since 1999, with the objective of providing PREPA with operational flexibility. As part of the Services, the Contractor must be available, in coordination with PREPA representatives, to work with the Department of Energy (DOE), the United States Corps of Engineers (USCOE) the

Federal Energy Regulatory Commission (FERC), and other entities regarding issues related to PREPA's services and operations. In addition, the Contractor will provide support to PREPA and its accountants to identify environmental (and other regulatory obligations) that attach to the retirement of PREPA generation assets consistent with its implementation of generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) Statement No. 83 asset retirement obligations (AROs).-----

- 1.2 At the direction of PREPA, the Contractor may be required to work with other consulting, legal, technical, or other type of firms. The Parties agree to discuss such assignment in advance, so that all the parties have a clear understanding as to their responsibilities.-----
- 1.3 Any other services that is necessary or convenient to fulfill the purpose of this Contract.-----
- 1.4 All services described in this Article 1 shall be defined in this Contract as the "Services". The Services will be provided on and subject to the terms and conditions set forth in this Contract.-----

## Article 2. Services Coordination

All the Services of Contractor in relation to the terms and conditions of this Contract will be coordinated through PREPA's Deputy Executive Director of Operations Office or the person delegated by them.-----

#### Article 3. Contract Assignment or Subcontract

The Contractor shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA give written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Contractor delivers to 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 Contractors' 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 Contractors' 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. A request to subcontract shall specify the issues or matters that will be referred to the subcontractor. These services shall be paid as part of the Contract Amount, as stated in Article 6, Payment. -----

#### Article 4. Contract Term

This Contract shall be in effect from the date of its execution until June 30, 2024, (The Contract Term). The Contract may be extended, for an additional annual fiscal

period, at the exclusive option of PREPA and subject to the availability of funds, and the performance of the law firm, only by written amendment agreed upon by both Parties.---

# Article 5. Contract Termination

- 5.2 PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor, without prior written notice. -----
- 5.3 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 in this Contract 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 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 6. Payment

- 6.1 In accordance with the terms and conditions contained herein, PREPA agrees, and Contractor accepts that the total amount to be paid under the Contract shall not exceed a cumulative amount of one hundred fifty thousand dollars (\$150,000), including reimbursable expenses, if any (the "Contract Amount"). All payments to be made under this Contract will be charged to account 01-4019-93000-556-630. PREPA will only pay for Services already rendered before the submitted invoice date. PREPA will not be required to make advance payments for any future service to be rendered by Contractor under the Contract.------
- 6.2 Nothing herein shall preclude the Parties from agreeing to increase the Contract Amount in writing and signed by both Parties.-----

- 6.3 PREPA will pay for the Services rendered by Contractor according to Appendix A of the Contract.-----
- 6.4 Should the Contractor assign another person or professional category to attend to PREPA's matters pursuant to this Contract, the Contractor shall promptly send PREPA an amended to include such person's name/professional category, position and rate, as well as request approval from PREPA. Any person engage by the Contractor after the execution of the Contract must complies with the professional requirements, credentials and qualifications establishes in the Contract. The Contractor shall provide evidence of those requirements and (Ex: professional license, experience, credentials etc.) before the person/professional commencement to work.-----
- 6.5 The Contractor shall immediately notify PREPA when the billing under the Contract amounts seventy-five percent (75%) of the Contract Amount. Once this notification has been issued, the Contractor, in coordination with PREPA, will ensure that no services will be rendered in excess of the Contract Amount, except that a written amendment is agreed upon by both Parties. In addition, the Contractor shall present an itemized list of the remaining billable Services under the Contract.------

#### Article 7. Fees, Expenses and Disbursements

The Contractor needs the previous approval of PREPA to incur in any reimbursable expense in or outside Puerto Rico.

- 7.1 PREPA should not be billed for (a) time spent in processing conflict searches, or preparing billing statements, or in responding to PREPA inquiries concerning Contractor's invoices. Moreover, PREPA requires that only professional services be billed on a time and material basis in accordance with Contractor's fixed hourly rates. Accordingly, PREPA should not be billed for the administrative tasks of creating, organizing, reviewing and/or updating files; routine or periodic status reports; receiving, reviewing, and/or distributing mail; faxing or copying documents; checking electronic mail or converting information to disk, not directly related to the PREPA Contract.-----
- 7.2 PREPA will reimburse the Contractor for actual costs and expenses related to matters assigned to Contractor and for necessary and reasonable out-of-pocket disbursements, subject to the limitations and exceptions set forth below. The Contractor is expected to have a system in place that requires those who bill time and disbursements to PREPA matters do so promptly and accurately.-----
- 7.3 PREPA will not reimburse Contractor for: (a) costs included in a 'miscellaneous' or 'other' category of charges; (b) overhead costs and expenses-such as those relating to fees for time or overtime expended by support staff (secretaries, administrative/clerical personnel, internal messengers, and other similar services), word processing and/or proofreading, cost of supplies or equipment, and/or other similar costs of doing business; (f) time spent attending education seminars or training programs; or (h) mark-ups or surcharges on any cost or

expense. In addition, if communications are sent to PREPA using more than one communication media, PREPA does not expect to pay for the cost of both communications. For instance, if a piece of correspondence is sent to PREPA by email, we do not expect to pay for the cost of that same correspondence if it is also sent via regular or expedited mail.-----

- 7.4 PREPA will reimburse Contractor for separately itemized expenses and disbursements in the following categories:-----
  - 7.4.1 Messenger/courier service PREPA will reimburse actual charges billed to Contractor for deliveries (including overnight deliveries) where this level of service is required because of time constraints imposed by PREPA or because of the need for reliability given the nature of the items being transported. Appropriate summaries of messenger/courier expenses must reflect the date and cost of the service and the identity of the sender and the recipient or the points of transportation.-----
  - 7.4.2 Travel PREPA will reimburse actual charges for transportation and hotels reasonable and necessary for effective services to PREPA. PREPA will not pay for any first-class or business-class travel. Summaries of transportation expenses should reflect the identity of the user, the date and amount of each specific cost, and the points of travel. Summaries of lodging expenses should include the identity of the person making the expenditure, the date and amount, and the nature of the expenditure. -----

Travel expenses reimbursement applies for personnel providing the services to PREPA, travel expenses for family members or guests are not chargeable to PREPA or reimbursable.-----

7.4.3 Air Travel - The cost of air travel will be reimbursed up to an amount that is no more than the advanced purchase of the lowest available economy airfare (including applicable taxes). The Contractor shall submit a copy of the original airline itinerary and paid invoice. Airfare may only be invoiced following completion of travel. In the event that a scheduled trip has to be cancelled or rescheduled by PREPA's order, PREPA will assume the cost of the penalty fee.-----

The Contractor shall submit a copy of the airline itinerary and paid invoice or airline receipt. Airfare may only be invoiced following completion of travel.-----

Airfare necessary to attend PREPA's official business will be paid by PREPA according to these guidelines.-----

7.4.4 Maximum Per Diem Rates (no proof of payment will be required) -----Meals: - \$60 per person for each day for persons travelling or working in
Puerto Rico or other location as directed and approved by PREPA under
the Contract.-----Lodging (standard not smoking room): - \$250 per person, per night
including government fees and taxes. The Contractor may use an

> economical alternative of lodging, including temporary rentals of apartments or rooms (Airbnb like rentals). For travel period longer than five days, temporary rentals shall be coordinated when this temporary rental (including all taxes and applicable fees) is less expensive than hotel accommodation, and evidence of said temporary rental shall be provided.-Ground Transportation in Puerto Rico: - Shall be reimbursable at cost, including Uber type services, taxis or car rentals (Rental cars requires a previous approval by PREPA) and associated driving expenses such as, but not limited to parking fees, highway tolls, and fuel.------

- 7.4.5 Reimbursable expenses shall not exceed six percent (6%) of the Contract Price in one year and will be reimbursed by PREPA through the presentation of acceptable evidence for such expenses.-----
- 7.4.6 Photocopying/printing PREPA will reimburse actual charges for in house or outside binding, and printing services and costs of photocopying services, which are not to exceed the actual five (5) cents per page for black and white copies, and twenty-five (25) cents per page for color copies. Summaries of expenditures for copying should reflect both the number of copies made and the cost per copy.-----
- 7.4.7 Third-Party Services The approval of PREPA must be obtained in writing prior to retaining any third-party services. The Contractor shall be responsible for requiring that there are no conflicts of interest between any

> third party and PREPA or between any third-party clients and PREPA. In addition, all arrangements with third-party vendors should include an appropriate undertaking of confidentiality and data privacy. Invoices from third-party vendors should be paid directly by Contractor, incorporated into its invoice to PREPA and should include appropriate detail. Copies of third-party invoices may be requested by PREPA and should be retained in accordance with PREPA's guidelines.-----

7.4.8 PREPA reserves the right to question the charges on any bill (even after payment) and to obtain a discount or refund of those charges that are not in compliance with the terms of the Contract. At PREPA's request, copies of bills and records reflecting reimbursable expenses that are not specifically listed in Article 7.4.4 as per diem shall be provided.-----

### Article 8. Invoices

- 8.1 Contractor shall submit its invoices on a monthly basis for the work already performed during the preceding month. Contractor will provide to PREPA an invoice for each billing period which will include a description of the services rendered and the number of hours spent by each person. The invoice for professional services shall be itemized and must be duly certified by an authorized representative of the Contractor.-----
- 8.2 PREPA will review the invoices upon receipt, and if they are in compliance with the requirements set forth in this Contract, it will proceed with payment. Payment

> is due sixty (60) days of receipt of the invoice with all the supporting documents required. PREPA reserves the right to conduct the audits it deems necessary, and it will not be subject to finance charges regarding invoice payments subject to an audit.-----

8.3 All invoices submitted by Contractor shall include the following Certification in order to proceed with its payment:-----

# No Interest Certification:

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

This is an essential requirement and those invoices without this Certification will not be processed for payment. In order to comply with the certification requirements set forth above, Contractor shall require that subcontractors, if any approved by PREPA, providing Services also make the certification set forth above in any invoices submitted in connection with the Services. -----

## Article 9. Transfer of Funds

9.1 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.-----

- 9.2 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. ------
- 9.3 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 10. Information and Material Facts

10.1 PREPA shall promptly provide to Contractor all information under the control of PREPA and necessary for Contractor to perform the Services under this Contract

> and those material facts that Contractor may reasonably require in order to provide its Services to PREPA. PREPA will ensure, to the best of its knowledge and belief, that the documents, data, and other information and material facts provided to Contractor, which are under its control, are true and complete, and does not constitute misleading or inaccurate information and Contractor shall be entitled to rely on the accuracy and completeness of the documents, data, and other information and material facts.-----

- 10.2 PREPA will notify Contractor in writing of any developments of which PREPA becomes aware, and which PREPA considers may have a material effect with respect to the information and/or facts provided to Contractor.-----
- 10.3 PREPA shall promptly provide to Contractor all information to determine which among them will implement and maintain the various parts of the safety and health program, to ensure protection of all on-site workers before work begins. Include information to assess hazards and to avoid creating hazards that affect workers on the site.-----
- 10.4 The Contractor shall comply with all applicable laws, ordinances, rules, regulations and Occupational Safety and Hazard Act (OSHA) standards for the safety of personnel, equipment, property and to protect them from damage, injury or loss, and any other PREPA Safety additional requirements. The Contractor is responsible to provide to its personnel all the required safety equipment to comply with OSHA regulation.-----

#### Article 11. Information Disclosure and Confidentiality

- 11.1 The Parties shall take all reasonable steps to keep confidential and use only for the purposes contemplated by the terms of the Contract the information provided by PREPA and/or Contractor, and take all reasonable steps to ensure that such information is not disclosed or distributed by its employees or agents in violation of the terms of this Contract.-----
- 11.2 The Parties also agree that, except as agreed to in writing by both Parties, they will not, at any time after termination of this Contract, disclose any confidential information to any person whatsoever, or permit any person whatsoever to examine and/or make copies of any reports prepared by Contractor or under its control by reason of its consulting services, and that upon termination of this Contract each Party will turn over to the other all documents, papers, and other matters in its possession or under its control that relate to the other Party. Contractor may retain one file copy for its records.-----
- 11.3 The term "confidential information" shall include, but not be limited to, all information provided to Contractor by PREPA or at PREPA's direction regarding its facilities or operations and any and all information gathered or developed by Contractor regarding the same. The Parties further agree that proprietary records and documents related to Contractor's business operations are confidential to Contractor and will not be disclosed to PREPA or other Parties, except as ordered by the court. The Parties agree that PREPA will resist any

attempt by opposing counsel or other Parties to obtain Contractor's proprietary information. The term "confidential information", however, will not include information that:-----

- (i) is or becomes public other than through a breach of this Contract;
- (ii) is known to the receiving Party prior to the date of this Contract and with respect to which the receiving Party does not have any obligation of confidentiality; or
- (iii) is independently developed by the receiving Party without use of, or reference to, confidential information.
- 11.4 The Parties acknowledge that disclosure of any confidential information by either Party will give rise to irreparable harm to the injured Party inadequately compensable in damages. Accordingly, either Party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies, which may be available.----
- 11.5 If this Contract terminates for any reason, Contractor shall maintain in strictest confidence both; during the term of this Contract and subsequent to termination of this Contract, and shall not during the term of this Contract or thereafter disclose or divulge to any person, firm, or corporation, or use directly or indirectly, for its own benefit or the benefit of others, any information which in good faith and good conscience ought to be treated as confidential information including, without limitation, information relating to PREPA's operations or trade secrets

relating to the business or affairs of PREPA which Contractor may acquire or develop in connection with or as a result of the performance of the Services hereunder. In the event of an actual or threatened breach by Contractor of the provisions of this paragraph, PREPA shall be entitled to injunctive relief for such breach. Nothing herein shall be construed as prohibiting PREPA from pursuing any other legal remedies available, including the recovery of damages from Contractor.-----

- 11.6 The above provisions do not apply with respect to information, which Contractor is requested to disclose under applicable law and regulations, court order, subpoena or governmental directives, in which case Contractor shall provide PREPA prompt notice of such request in order to procure for PREPA a reasonable opportunity to oppose such disclosure. Contractor agrees to expeditiously notify and submit to PREPA a copy of any court order or subpoena and to the extent possible provide any assistance to PREPA (in the form of documents) regarding the submission of such information.-----
- 11.7 With respect to this Contract and any information supplied in connection with this Contract and designated by the disclosing Party as confidential, the recipient agrees to: (i) protect the confidential information in a reasonable and appropriate manner and in accordance with applicable professional standards; (ii) use confidential information only to perform its obligations under this Contract; and

(iii) reproduce confidential information only as required to perform its obligations under this Contract.-----

### Article 12. Rights and Titles

- 12.1 The Contractor will submit any reports reasonably required by PREPA regarding the Services performed under this Contract. If required by PREPA, at the completion of any assigned task, the Contractor will submit a final written report describing the work it has performed. This requirement shall not be interpreted as a waiver by PREPA of Contractor's ethical obligation and responsibility of keeping PREPA informed of the progress of the assigned matters. -----
- 12.2 All rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by the Contractor exclusively for PREPA as a result of performing its obligations under this Contract shall be the exclusive property of PREPA. The Contractor shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract. With the exception of items marked as "CONFIDENTIAL" by the Contractor, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any reports, documents, analyses, investigations or any other by-product of the Services performed by the Contractor under this Contract.------

#### Article 13. Copyright

Contractor and PREPA shall jointly defend any suit or action brought against either party based on a claim that any document, report, study, analysis, copyrighted composition, article or any by-product of those, either used in the performance of the Services by Contractor or provided to PREPA by Contractor as part of its Services, 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. The Party of this Contract subject to the claim or that becomes aware of a potential claim shall promptly notify in writing the other Party of this Contract, and give the authority, information, and assistance reasonable and necessary for the defense of such claim.-----

#### Article 14. Warranty

14.1 Contractor warrants that it shall perform the Services in accordance with the applicable standards of care and diligence at the time of performance of the Services, and which are normally practiced and recognized in performing services of a similar nature (the "Standard"). Should any of the Services provided by Contractor not fulfill the above established Standard, Contractor shall take all necessary corrective measures to rectify such deficient Services, at its own and exclusive cost, whenever such course of action is possible or desirable. The rectification of deficient Services by Contractor shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law or equity for any damages that Contractor's may have caused to it

by rendering such deficient Services.-----

14.2 No other warranty, express or implied, is made or intended by this Contract, by furnishing oral or written reports of findings made, or by any other act of Contractor.-----

# Article 15. Responsibility for Damages

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.-----

# Article 16. Independent Contractor

- 16.1 Contractor shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by Contractor for the performance of its obligations herein, shall be considered as its employees or agents, and not as employees or agents of PREPA.-----
- 16.2 As an independent contractor, Contractor shall not be entitled to any fringe benefits, such as, but not limited to vacation, sick leave, and to which PREPA's employees are entitled.-----

# Article 17. Employees not to Benefit

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

#### Article 18. Conflict of Interest

- 18.1 Contractor certifies that none of its representatives under this Contract receive payment or compensation of any nature, for the services regularly rendered through an appointment in another government agency, body, public corporation or municipality of Puerto Rico. Contractor also certifies that it may have other consulting services contracts with other governmental agencies or bodies, but such condition does not constitute a conflict of interest for Contractor.-----
- 18.2 Contractor acknowledges that in executing its services pursuant to this Contract it has a duty of complete loyalty towards PREPA which includes not having conflict of interest. "Conflict of Interest" means representing clients who have or may have interests that are contrary to PREPA, but does not include rendering services that are unrelated to the services covered in this Contract. Also, Contractor shall have the continuous obligation to disclose to PREPA all information and circumstances of its relations with clients and third persons that would result in a conflict of interest which would influence the Contractor when performing its responsibilities under this Contract. ------
- 18.3 The Parties understand and agree that a conflict of interest exists when Contractor must advocate a position or outcome on behalf of any existing or future client that is contrary to PREPA's interests. Also, any conduct defined in the Rules of Professional Conduct regarding conflict of interests shall apply to Contractor and its personnel.-----

- 18.4 In the event that any of the partners, directors, agents or employees of Contractor engaged in providing services under this Contract should incur in the conduct described herein, said conduct shall constitute a violation of the prohibitions provided herein.-----
- 18.5 Contractor's partners, directors, agents or employees and personnel shall avoid even the appearance of the existence of conflicting interests.-----
- 18.6 Contractor acknowledges that PREPA's Chief Executive Officer shall have the power to intervene with the acts of Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. In the event that the existence of adverse interests is discovered, the PREPA's Chief Executive Officer shall inform Contractor in writing of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, Contractor may request a hearing with the Chief Executive Officer to present its arguments regarding the alleged conflict of interests. In the event that Contractor does not request such hearing during the specified thirty (30) day period or the controversy is not satisfactory settled during the hearing, this Contract shall be canceled.------
- 18.7 The Contractor certifies that, at the time of the execution of this Contract, it does not have, nor does it represent anyone who has Conflict of Interests with PREPA. If such Conflict of Interest arises after the execution of the Contract, the Contractor shall notify PREPA immediately.-----
## Article 19. Notices

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or postage prepaid, by registered, certified or express mail (return receipt requested) or reputable overnight courier service and shall be deemed given when so delivered by hand, or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the Parties to the following addresses:-----

To PREPA:	Puerto Rico Electric Power Authority PO Box 364267 San Juan, Puerto Rico 00936-4267
Attention:	Josué A. Colón Ortiz Executive Director
To Contractor:	Hogan Lovells US, LLP 55 13 <sup>th</sup> Street NW Washington, DC 20004
Attention:	Adam M. Kushner Partner

## Article 20. Applicable 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 appearing Parties may have among them regarding the terms and conditions of this Contract.-----

### Article 21. Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which cause an increase in Contractor's costs when providing the services, shall be Contractor's responsibility and PREPA shall not be obligated to increase the Contract Amount.-----

### Article 22. Force Majeure

- 22.1 The Parties shall be excused from performing their respective responsibilities and obligations under this Contract and shall not be liable in damages or otherwise, if and only to the extent that they are unable to perform or are prevented from performing by a force majeure event. -----
- 22.2 For purposes of this Contract, force majeure means any cause without the fault or negligence, and beyond the reasonable control of, the Party claiming the occurrence of a force majeure event.-----
- 22.3 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 without 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 event has occurred shall be on the Party claiming the force majeure.-----

## Article 23. Novation

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

## Article 24. Severability

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

## Article 25. Save and Hold Harmless

The Contractor agrees to save and hold harmless and to indemnify PREPA for all expenses and costs of any nature (including reasonable attorneys' fees) incurred by PREPA arising out of any third party claim made by any person for bodily injuries,

### Article 26. Insurance

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:-----

1. <u>Commercial General Liability Insurance</u>:

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. -----

2. 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. -----

### 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 (PREPA) Risk Management Office PO Box 364267 San Juan, Puerto Rico 00936-4267

b. A 30 day cancellation or nonrenewable notice to be sent to the above address

## Furnishing of Policies:

All required policies of insurance 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 27. <u>Compliance with the Commonwealth of Puerto Rico Contracting</u> <u>Requirements</u>

The Contractor will comply with all applicable laws, regulations and executive orders that regulate the contracting process and requirements of the Government of Puerto Rico, including Act 73-2019, as amended, known as the "2019 General Services Administration Act for the Centralization of Purchases of the Government of Puerto Rico" (Act 73-2019). In compliance with the provisions of Act 73-2019, the

Contractor has provided PREPA the Certification of Eligibility of the Unique Registry of Professional Services Providers (known in Spanish as "Certificado de Elegibilidad del Registro Único de Proveedores de Servicios Profesionales", and hereinafter referred to as the "RUP Certification"), issued by the General Services Administration. It is hereby acknowledged that pursuant to the provisions of Article 42 of Act 73-2019, a valid RUP Certification serves as evidence of compliance with the documentation requirements necessary for contracting professional services with the Government of Puerto Rico, particularly those applicable under Act 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico (3 L.P.R.A. § 8611 et seg.), the Puerto Rico Department of Treasury Circular Letter Number 1300-16-16 issued on January 22, 2016, as amended, and the sworn statement before notary public required pursuant to Article 3.3 of Act 2-2018.-----Further, the Contractor hereby certifies, guarantees, acknowledges and agrees to the following:-----

A. The Contractor hereby certifies that as of the execution of this Contract, if applicable, it has filed income, sales and use ("IVU" for its Spanish acronym), and property taxes returns, in Puerto Rico for the past five (5) years. The Contractor also certifies that it does not have any outstanding debt or other debts with the Government of Puerto Rico for income, IVU taxes (collected by the Department of the Treasury), real or chattel property taxes (collected by the taxes).

> "Centro de Recaudación de Ingresos Municipales" ("CRIM")), unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs from the Department of Labor and Human Resources, nor have debts with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de Menores (ASUME). In the event that the Contractor owes taxes or premiums to said government agencies, it agrees that PREPA may withhold any monies due to the Contractor under this Contract to be applied to the payment and cancellation of said debt. The Contractor also certifies that it is in corporate "Good Standing". The Contractor hereby represents and certifies that it is duly authorized with a certificate of incorporation and the execution, delivery and performance of all the services under this Contract are within the Contractor authorized powers and are not in contravention of law. The Contractor also certifies that it is in compliance with the Merchant's Registration. Accordingly, the Contractor has submitted to PREPA its RUP Certification from the General Services Administration. The Contractor shall maintain its certificate valid for the duration of this Contract.-----

- B. 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.-----
- C. 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.-D. 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 Government of Puerto Rico's Treasury Department. Act 1-2011, section 1062.03.------

E. Compliance with Act No. 1 of Governmental Ethics: The Contractor will certify compliance with Act 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his/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.;-----

- F. Law 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.-----
- G. Law 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 Law 18 of October 30, 1975, as amended.-----
- H. 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.
- 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.-----

- J. 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.-----
- K. 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.-----
- L. 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.-----

- M. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.-----
- N. 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.-----
- O. 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, provided that they are available.-----
- P. The Contractor certifies that at the time of execution of this Contract it has no other contracts with other agencies, public corporations, municipalities, and/or instrumentalities of the Government of Puerto Rico. The Contractor acknowledges and accepts that the failure to list any current contractual relationship with any governmental entity may result in the termination of this Contract if required by PREPA.-----
- Q. The Parties hereby acknowledge the requirements and procedures set forth in Administrative Bulletin No. OE-2021-029 issued by the Governor of Puerto Rico, Hon. Pedro R. Pierluisi, on April 27, 2021 ("OE-2021-29") and Circular Letter No. 013-2021 issued on June 7, 2021, by the Office of Management and Budget

("CC 013-2021"), applicable to professional services agreements with a maximum amount of \$250,000 or more per fiscal year. However, in accordance with the exceptions authorized in the Contracting Measures, PREPA filed a petition with the Office of Management and Budget seeking to be exempted from the Contracting Measures which was thereafter approved. Consequently, in accordance with the exceptions authorized in OE-2021-29 and CC 013-2021, the execution of this Contract is exempt from the requirements and procedures established in the abovementioned provisions.-----

R. The Contractor certifies that at the time of the execution of this Contract, it is not a public company with shares that are traded on a regulated stock exchange. The Contractor certifies that prior to the execution of this Contract, it has submitted to PREPA a Certification of Legal Entity (known in Spanish as

"Certificación sobre Personas Jurídicas").-----

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.-----

#### Article 28. 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 conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.------Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.-----

Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in

Article 6.8 of Act 8-2017, 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 Administration and Transformation of Human Resources in the Government of Puerto Rico.-----

<u>Consequences of Non-Compliance</u>: 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.-----

### Article 29. Dispute Resolution

Executive Negotiation: Any unresolved disputes shall be referred to the Planning and Environmental Protection Director or designee by PREPA and Contractor for resolution. During the first thirty (30) days following the delivery of a notice of dispute (and during

any extension agreed to by the Parties in writing, the "Negotiation Period") the Parties shall attempt in good faith to resolve the dispute through negotiations. If such negotiations result in an agreement in principle to settle the dispute, they shall cause a written settlement agreement to be prepared, signed and dated (an "Executive Settlement"), and the dispute shall be deemed settled, and not subject to further dispute resolution. If a dispute is not resolved through the Executive negotiation, the Parties agree to resolve the dispute according to the jurisdiction established in the Choice of Law and Venue Article of the Contract.-----

### Article 30. Non-Discrimination

The Contractor agrees that it will 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 31. <u>Contract Review Policy of the Financial Oversight and Management</u> <u>Board for Puerto Rico</u>

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 of falseness in such Certification will render the Contract null and void and the Contractor will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Contract. ------

## Article 32. Transfer of skills and technical knowledge

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 33. Entire Contract

The terms and conditions contained herein constitute the entire agreement between PREPA and Contractor with respect to the subject matter of this Contract, and supersede all communications, negotiations, and agreements of the Parties, whether written or oral, other than these, made prior to the signing of this Contract.

IN WITNESS THEREOF, the Parties hereto sign this Contract in San Juan, Puerto Rico

this \_\_\_\_\_ day of \_\_\_\_\_, 2023.-----

Puerto Rico Electric Power Authority Hogan Lovells US, LLP

Josué A. Colón Ortiz **Executive Director** Tax ID: 660-43-3747

Adam M. Kushner Partner Tax ID: 53-0084704 adam.kushner@hoganlovells.com Annex D

# GOVERNMENT OF PUERTO RICO PUERTO RICO ELECTRIC POWER AUTHORITY PROFESSIONAL SERVICES CONTRACT

------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, Josué A. Colón Ortiz, of legal age, married, and resident of Caguas, Puerto Rico.-----

**AS SECOND PARTY**: Tetra Tech, Inc. (Contractor), a corporation organized and existing under the laws of Puerto Rico, and registered to do business in Puerto Rico, represented in this act by its Director, Fernando L. Pagés Rangel, of legal age, married, and resident of Carolina, Puerto Rico, authorized by virtue of \_\_\_\_\_\_.

WHEREAS: PREPA, by virtue of Act 83 has the authority to engage those professional, technical and consulting services necessary and convenient to the activities, programs and operations of PREPA;-----

WHEREAS: Pursuant Section 205(2)(d) of Act 83, competitive bidding shall not be necessary when professional or expert services or work are required and PREPA deems it in the best interests of good administration for such works or services to be contracted without such announcements.-----

WHEREAS: PREPA desires to enter into this Contract with the Contractor for the performance of the Services as described herein.-----

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Contract, hereinafter stated, the Parties agree themselves, their personal representatives, and successors to enter into this Contract under the following:

-----TERMS AND CONDITIONS------

## Article 1. Scope of Services

- 1.1 The Contractor agrees to provide PREPA, as required, with the necessary professional services for engineering and technical support, among others, such as:
  - Technical Services at Bonus Nuclear Power Plant includes:
    - 1. Equipment Calibration procuring the equipment from PREPA's facilities and coordinating the shipping and calibration, all in compliance with state and federal regulations.-----
    - 2. Annual Comprehensive Radiological Survey will be conducted at the BONUS facilities in Rincón and includes: a comprehensive radiological survey of the BONUS facilities, visual inspection of the facility infrastructure in accordance with facility inspection checklist, review PREPA's quarterly surveys performance by reviewing survey requirements, prepare and submit to PREPA a draft and final report and assemble documentation summarizing the results of the comprehensive survey.------
    - 3. Quarterly radiological surveys.-----
    - 4. Technical Advisory.-----

	Climate Change Vulnerability Assessment, Adaptation and Resilience Plan of
	PREPA assets- Phase 1
	1. Climate vulnerability assessments;
	2. Climate resilience plans
	Climate Resilience Planning-Phase 2 - Climate Change Adaptation Plan
	1. Develop asset-specific adaptation measures;
	2. Monitoring progress;
	3. Evaluation of implementation
	• On-Call Environmental Support Services to assist PREPA with any needed
	consulting services
	1. Review and response letter to agency request for information;
	2. Subcontracting of specialty contractors to support compliance activities;
	3. Review and compilation of any data requests required by PREPA;
	4. Other on-call consulting or services
1.2	The services will be compensated by PREPA for the Contractor's services based
	on hourly rates, as established on Exhibit A
1.3	At the direction of PREPA, the Contractor may be required to work with other
	consulting, legal, investment, or other type of firms. The Parties agree to discuss
	such assignment in advance, so that all the Parties have a clear understanding as
	to their responsibilities
1.4	All services described in this Article 1 shall be defined in this Contract as the

"Services". ------

### Article 2. Services Coordination

All the Services of Contractor in relation to the terms and conditions of this Contract will be coordinated through PREPA's Deputy Executive Director of Operations or the person delegated by him.-----

### Article 3. Contract Assignment or Subcontract

The Contractor shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA give written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Contractor delivers to 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 Contractors' 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 Contractors' 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. A request to subcontract shall specify the issues or matters that will be referred to the subcontractor. These services shall be paid as part of the Contract Amount, as stated in Article 6, Payment. -----

### Article 4. Contract Term

This Contract shall be in effect from its execution until June 30, 2024 (The Contract Period).

## Article 5. Contract Termination

- 5.2 PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor, without prior written notice. -----

## Article 6. Payment

6.1 In accordance with the terms and conditions contained herein, PREPA agrees and Contractor accepts that the total amount to be paid under the Contract shall not exceed a cumulative amount of one hundred thousand dollars (\$100,000), including reimbursable expenses, if any (the "Contract Amount"). All payments to

be made under this Contract will be charged to account 01-4019-93000-556-630. PREPA will only pay for Services already rendered before the submitted invoice date. PREPA will not be required to make advance payments for any future service to be rendered by Contractor under the Contract.-----

- 6.2 Nothing herein shall preclude the Parties from agreeing to increase said amount in writing and signed by both Parties.-----
- 6.3 PREPA will pay for the Services rendered by Contractor according to the rates established in Exhibit A.-----
- 6.4 Should the Contractor assign another person or professional category to attend to PREPA's matters pursuant to this Contract, the Contractor shall promptly send PREPA an amended to include such person's name/professional category, position and rate, as well as request approval from PREPA. Any person engage by the Contractor after the execution of the Contract must complies with the professional requirements, credentials and qualifications required by PREPA. The Contractor shall provide evidence of those requirements and credentials (Ex: professional license, experience, etc.) before the person/professional commencement to work.-----
- 6.5 The Contractor shall immediately notify PREPA when the billing under the Contract amounts seventy-five percent (75%) of the Contract Amount. Once this notification has been issued, the Contractor, in coordination with PREPA, will ensure that no services will be rendered in excess of the Contract Amount, except that a written

amendment is agreed upon by both Parties. In addition, the Contractor shall present an itemized list of the remaining billable Services under the Contract.-----

## Article 7. Invoices

- 7.1 Contractor shall submit its invoices on a monthly basis for the work already performed during the preceding month. Contractor will provide to PREPA an invoice for each billing period which will include a description of the services rendered and the number of hours spent by each person. The invoice for professional services shall be itemized and must be duly certified by an authorized representative of the Contractor.-----
- 7.2 PREPA will review the invoices upon receipt, and if they are in compliance with the requirements set forth in this Contract, it will proceed with payment. Payment is due sixty (60) days of receipt of the invoice with all the supporting documents required. PREPA reserves the right to conduct the audits it deems necessary, and it will not be subject to finance charges regarding invoice payments subject to an audit.
- 7.3 All invoices submitted by Contractor shall include the following Certification in order to proceed with its payment:-----

No Interest Certification:

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

This is an essential requirement and those invoices without this Certification will not be processed for payment. In order to comply with the certification requirements set forth above, Contractor shall require that subcontractors, if any approved by PREPA, providing Services also make the certification set forth above in any invoices submitted in connection with the Services. -----

# Article 8. Transfer of Funds

- 8.1 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.-----
- 8.2 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. ------

8.3 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 9. Information and Material Facts

- 9.1 PREPA shall promptly provide to Contractor all information under the control of PREPA and necessary for Contractor to perform the Services under this Contract and those material facts that Contractor may reasonably require in order to provide its Services to PREPA. PREPA will ensure, to the best of its knowledge and belief, that the documents, data, and other information and material facts provided to Contractor, which are under its control, are true and complete, and does not constitute misleading or inaccurate information and Contractor shall be entitled to rely on the accuracy and completeness of the documents, data, and other information and material facts.
- 9.2 PREPA will notify Contractor in writing of any developments of which PREPA becomes aware, and which PREPA considers may have a material effect with respect to the information and/or facts provided to Contractor.-----
- 9.3 PREPA shall promptly provide to Contractor all information to determine which among them will implement and maintain the various parts of the safety and

health program, to ensure protection of all on-site workers before work begins. Include information to assess hazards and to avoid creating hazards that affect workers on the site.-----

9.4 The Contractor shall comply with all applicable laws, ordinances, rules, regulations and Occupational Safety and Hazard Act (OSHA) standards for the safety of personnel, equipment, property and to protect them from damage, injury or loss, and any other PREPA Safety additional requirements. The Contractor is responsible to provide to its personnel all the required safety equipment to comply with OSHA regulation.-----

## Article 10. Information Disclosure and Confidentiality

- 10.1 The Parties shall take all reasonable steps to keep confidential and use only for the purposes contemplated by the terms of the Contract the information provided by PREPA and/or Contractor, and take all reasonable steps to ensure that such information is not disclosed or distributed by its employees or agents in violation of the terms of this Contract.-----
- 10.2 The Parties also agree that, except as agreed to in writing by both Parties, they will not, at any time after termination of this Contract, disclose any confidential information to any person whatsoever, or permit any person whatsoever to examine and/or make copies of any reports prepared by Contractor or under its control by reason of its consulting services, and that upon termination of this Contract each Party will turn over to the other all documents, papers, and other

matters in its possession or under its control that relate to the other Party. Contractor may retain one file copy for its records.-----

- 10.3 The term "confidential information" shall include, but not be limited to, all information provided to Contractor by PREPA or at PREPA's direction regarding its facilities or operations and any and all information gathered or developed by Contractor regarding the same. The Parties further agree that proprietary records and documents related to Contractor's business operations are confidential to Contractor and will not be disclosed to PREPA or other Parties, except as ordered by the court. The Parties agree that PREPA will resist any attempt by opposing counsel or other Parties to obtain Contractor's proprietary information. The term "confidential information", however, will not include information that:-----
  - (i) is or becomes public other than through a breach of this Contract;
  - (ii) is known to the receiving Party prior to the date of this Contract and with respect to which the receiving Party does not have any obligation of confidentiality; or ------
  - (iii) is independently developed by the receiving Party without use of, or reference to, confidential information.-----
- 10.4 The Parties acknowledge that disclosure of any confidential information by either Party will give rise to irreparable harm to the injured Party inadequately compensable in damages. Accordingly, either Party may seek and obtain

> injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies, which may be available.----

- 10.5 If this Contract terminates for any reason, Contractor shall maintain in strictest confidence both; during the term of this Contract and subsequent to termination of this Contract, and shall not during the term of this Contract or thereafter disclose or divulge to any person, firm, or corporation, or use directly or indirectly, for its own benefit or the benefit of others, any information which in good faith and good conscience ought to be treated as confidential information including, without limitation, information relating to PREPA's operations or trade secrets relating to the business or affairs of PREPA which Contractor may acquire or develop in connection with or as a result of the performance of the Services hereunder. In the event of an actual or threatened breach by Contractor of the provisions of this paragraph, PREPA shall be entitled to injunctive relief for such breach. Nothing herein shall be construed as prohibiting PREPA from pursuing any other legal remedies available, including the recovery of damages from Contractor.
- 10.6 The above provisions do not apply with respect to information, which Contractor is requested to disclose under applicable law and regulations, court order, subpoena or governmental directives, in which case Contractor shall provide PREPA prompt notice of such request in order to procure for PREPA a reasonable opportunity to oppose such disclosure. Contractor agrees to expeditiously notify and submit to PREPA a copy of any court order or subpoena

and to the extent possible provide any assistance to PREPA (in the form of documents) regarding the submission of such information.-----

10.7 With respect to this Contract and any information supplied in connection with this Contract and designated by the disclosing Party as confidential, the recipient agrees to: (i) protect the confidential information in a reasonable and appropriate manner and in accordance with applicable professional standards; (ii) use confidential information only to perform its obligations under this Contract; and (iii) reproduce confidential information only as required to perform its obligations under this Contract.-----

### Article 11. Rights and Titles

- 11.1 The Contractor will submit any reports reasonably required by PREPA regarding the Services performed under this Contract. If required by PREPA, at the completion of any assigned task, the Contractor will submit a final written report describing the work it has performed. This requirement shall not be interpreted as a waiver by PREPA of Contractor's ethical obligation and responsibility of keeping PREPA informed of the progress of the assigned matters. -----
- 11.2 All rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by the Contractor exclusively for PREPA as a result of performing its obligations under this Contract shall be the exclusive property of PREPA. The Contractor shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract. With the

exception of items marked as "CONFIDENTIAL" by the Contractor, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any reports, documents, analyses, investigations or any other by-product of the Services performed by the Contractor under this Contract.-----

### Article 12. Expenses and Disbursements

- 12.1 PREPA should not be billed for (a) time spent in processing conflict searches, preparing billing statements, or in responding to PREPA inquiries concerning Contractor's invoices; or (b) travel time during which Contractor is billing another client for work performed while traveling. Moreover, PREPA requires that only professional services be billed. Accordingly, PREPA should not be billed for the administrative tasks of creating, organizing, reviewing and/or updating files; routine or periodic status reports; receiving, reviewing, and/or distributing mail; faxing or copying documents; checking electronic mail or converting information to disk. ------
- 12.2 PREPA will reimburse Contractor for actual costs and expenses related to matters assigned to Contractor and for necessary and reasonable out-of-pocket disbursements, subject to the limitations and exceptions set forth below. Contractor is expected to have a system in place that ensures those who bill time and disbursements to PREPA matters do so promptly and accurately. -----
- 12.3 PREPA will not reimburse Contractor for: (a) costs included in a 'miscellaneous' or 'other' category of charges; (b) overhead costs and expenses-such as those relating to fees for time or overtime expended by support staff (secretaries,

administrative/clerical personnel, internal messengers, and other similar services), word processing and/or proofreading, cost of supplies or equipment, and/or other similar costs of doing business; (f) time spent attending education seminars or training programs; or (h) mark-ups or surcharges on any cost or expense. In addition, if communications are sent to PREPA using more than one medium, PREPA does not expect to pay for the cost of both communications. For instance, if a piece of correspondence is sent to PREPA by email, we do not expect to pay for the cost of that same correspondence if it is also sent via regular or expedited mail.

12.4 PREPA will reimburse Contractor for separately itemized expenses and disbursements in the following categories: ------

- Messenger/courier service PREPA will reimburse actual charges billed to Contractor for deliveries (including overnight deliveries) where this level of service is required because of time constraints imposed by PREPA or because of the need for reliability given the nature of the items being transported. Appropriate summaries of messenger/courier expenses must reflect the date and cost of the service and the identity of the sender and the recipient or the points of transportation. ------
- Travel PREPA will reimburse actual charges for transportation and hotels reasonable and necessary for effective services to PREPA. PREPA will not pay for any first-class or business-class travel. Summaries of transportation expenses should reflect the identity of the user, the date and amount of each specific cost, and the points of travel. Summaries of lodging and meals

expenses should include the identity of the person making the expenditure, the date and amount, and the nature of the expenditure. ------Travel expenses reimbursement applies for personnel providing the services to PREPA, travel expenses for family members or guests are not chargeable to PREPA or reimbursable. -----

- Maximum Per Diem Rates (no proof of payment will be required): ----- Meals: \$57 per person for each traveling day for persons working "on-site" at PREPA. Under no circumstances PREPA will reimburse alcoholic beverages. ----- Lodging (standard not smoking room): \$200 per person, per night not

- rental (no proof of payment will be required).-----
- Reimbursable expenses shall not exceed six percent (6%) of the Contract Price in one year and will be reimbursed by PREPA through the presentation of acceptable evidence for such expenses. This limitation does not apply to expenses related to third-party services necessary for Contractor to render its Services under the Contract, given they are previously approved by PREPA.
- Photocopying/printing PREPA will reimburse actual charges for outside binding, and printing services and costs of outside photocopying services, which are not to exceed the actual five (5) cents per page for black and white copies, and twenty-five (25) cents per page for color copies. Summaries of expenditures for copying should reflect both the number of copies made and the cost per copy.

- 12.5 PREPA reserves the right to question the charges on any bill (even after payment) and to obtain a discount or refund of those charges that are disputed. At PREPA's request, copies of bills and records reflecting reimbursable expenses must be provided to PREPA.

### Article 13. Warranty

13.1 Contractor warrants that it shall perform the Services in accordance with the applicable standards of care and diligence at the time of performance of the Services, and which are normally practiced and recognized in performing services of a similar nature (the "Standard"). Should any of the Services provided by Contractor not fulfill the above established Standard, Contractor shall take all necessary corrective measures to rectify such deficient Services, at its own and exclusive cost, whenever such course of action is possible or desirable.
The rectification of deficient Services by Contractor shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law or equity for any damages that Contractor's may have caused to it by rendering such deficient Services.-----

13.2 No other warranty, express or implied, is made or intended by this Contract, by furnishing oral or written reports of findings made, or by any other act of Contractor.-----

# Article 14. Responsibility for Damages

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.-----

# Article 15. Independent Contractor

- 15.1 Contractor shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by Contractor for the performance of its obligations herein, shall be considered as its employees or agents, and not as employees or agents of PREPA.-----
- 15.2 As an independent contractor, Contractor shall not be entitled to any fringe benefits, such as, but not limited to vacation, sick leave, and to which PREPA's employees are entitled.-----

## Article 16. Employees not to Benefit

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

## Article 17. Conflict of Interest

- 17.1 Contractor certifies that none of its representatives under this Contract receive payment or compensation of any nature, for the services regularly rendered through an appointment in another government agency, body, public corporation or municipality of Puerto Rico. Contractor also certifies that it may have other consulting services contracts with other governmental agencies or bodies, but such condition does not constitute a conflict of interest for Contractor.-----
- 17.2 Contractor acknowledges that in executing its services pursuant to this Contract it has a duty of complete loyalty towards PREPA which includes not having conflict of interest. "Conflict of Interest" means representing clients who have or may have interests that are contrary to PREPA, but does not include rendering services that are unrelated to the services covered in this Contract. Also, Contractor shall have the continuous obligation to disclose to PREPA all information and circumstances of its relations with clients and third persons that would result in a conflict of interest which would influence the Contractor when performing its responsibilities under this Contract.------
- 17.3 The Parties understand and agree that a conflict of interest exists when Contractor must advocate a position or outcome on behalf of any existing or

future client that is contrary to PREPA's interests. Also, any conduct defined in the Rules of Professional Conduct regarding conflict of interests shall apply to Contractor and its personnel.-----

- 17.4 In the event that any of the partners, directors, agents or employees of Contractor engaged in providing services under this Contract should incur in the conduct described herein, said conduct shall constitute a violation of the prohibitions provided herein.-----
- 17.5 Contractor's partners, directors, agents or employees and personnel shall avoid even the appearance of the existence of conflicting interests.-----
- 17.6 Contractor acknowledges that PREPA's Executive Director shall have the power to intervene with the acts of Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. In the event that the existence of adverse interests is discovered, PREPA's Executive Director shall inform Contractor in writing of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, Contractor may request a hearing with the Executive Director to present its arguments regarding the alleged conflict of interests. In the event that Contractor does not request such hearing during the specified thirty (30) day period or the controversy is not satisfactory settled during the hearing, this Contract shall be canceled.------
- 17.7 The Contractor certifies that, at the time of the execution of this Contract, it does not have nor does it represents anyone who has Conflict of Interests with

PREPA. If such Conflict of Interest arises after the execution of the Contract, the

Contractor shall notify PREPA immediately.-----

# Article 18. Notices

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or postage prepaid, by registered, certified or express mail (return receipt requested) or reputable overnight courier service and shall be deemed given when so delivered by hand, or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the Parties to the following addresses:-----

To PREPA:	Puerto Rico Electric Power Authority PO Box 364267 San Juan, Puerto Rico 00936-4267
Attention:	Josué A. Colón Ortiz Executive Director
To Contractor:	Tetra Tech, Inc. 251 Recinto Sur, Suite 200 Viejo San Juan, Puerto Rico 00901-1886
Attention:	Fernando L. Pagés Rangel Director

# Article 19. Applicable 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 appearing Parties may have among them regarding the terms and conditions of this Contract.-----

## Article 20. Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which cause an increase in Contractor's costs when providing the services, shall be Contractor's responsibility and PREPA shall not be obligated to increase the Contract Amount.-----

## Article 21. Force Majeure

- 21.1 The Parties shall be excused from performing their respective responsibilities and obligations under this Contract and shall not be liable in damages or otherwise, if and only to the extent that they are unable to perform or are prevented from performing by a force majeure event. -----
- 21.2 For purposes of this Contract, force majeure means any cause without the fault or negligence, and beyond the reasonable control of, the Party claiming the occurrence of a force majeure event.-----
- 21.3 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 without 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 event has occurred shall be on the Party claiming the force majeure.

## Article 22. Novation

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

# Article 23. Severability

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

#### Article 24. Save and Hold Harmless

The Contractor agrees to save and hold harmless and to indemnify PREPA for all expenses and costs of any nature (including reasonable attorneys' fees) incurred by PREPA arising out of any third party claim made by any person for bodily injuries,

#### Article 25. Insurance

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:-----

#### 1. <u>Commonwealth of Puerto Rico Workmen's Compensation Insurance</u>:

The Contractor shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico. The Contractor shall also be responsible for compliance with said Workmen's Compensation Act by all its sub-contractors, agents, and invitees, if any.------The Contractor shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.-----

# 2. Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with a 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.-----

3. 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. -----

# 4. 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 schedule autos, non-owned autos, and hired automobiles.-----

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.-----

# 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 (PREPA) 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 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."-----

# Furnishing of Policies:

All required policies of insurance 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 26. <u>Compliance with the Commonwealth of Puerto Rico Contracting</u> <u>Requirements</u>

A. The Contractor will comply with all applicable laws, regulations and executive orders that regulate the contracting process and requirements of the Government of Puerto Rico, including Act 73-2019, as amended, known as the "2019 General

Services Administration Act for the Centralization of Purchases of the Government of Puerto Rico" (Act 73-2019). In compliance with the provisions of Act 73-2019, the Contractor has provided PREPA the Certification of Eligibility of the Unique Registry of Professional Services Providers (known in Spanish as "Certificado de Elegibilidad del Registro Único de Proveedores de Servicios Profesionales", and hereinafter referred to as the "RUP Certification"), issued by the General Services Administration. It is hereby acknowledged that pursuant to the provisions of Article 42 of Act 73-2019, a valid RUP Certification serves as evidence of compliance with the documentation requirements necessary for contracting professional services with the Government of Puerto Rico, particularly those applicable under Act 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico (3 LPRA 8611 et seq.), the Puerto Rico Department of Treasury Circular Letter Number 1300-16-16 issued on January 22, 2016, as amended, and the sworn statement before notary public required pursuant to Article 3.3 of Act 2-2018.-----

- B. 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. ------
- C. 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. ------

- D. 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 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 Government of Puerto Rico's Treasury Department. 3 L.P.R.A. § 8611 et seq., 2011 L.P.R.A. 232; 232-2011. ------
- E. Compliance with Act 1 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.; -----

- F. 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.-----
- G. 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 18 of October 30, 1975, as amended. -----
- H. 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.
- 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.-----

- J. 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.-----
- K. 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.------
- L. 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.-----

- M. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.-----
- N. 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.-----
- O. Provisions Required under Act 14-2004: The Contractor agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available.

<u>Consequences of Non-Compliance</u>: 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, and the Contractor shall reimburse the PREPA all moneys received under this Contract.

## Article 27. 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 conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.-----Contractor shall furnish to the General Services Administration a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico (Act 8-2017) or any of the crimes included in Act 2-2018.-----Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico (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.-----

<u>Consequences of Non-Compliance</u>: The Contractor expressly agrees that the conditions outlined throughout this Article are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PREPA to render this Contract null and void, and the Contractor shall reimburse PREPA all moneys received under this Contract.

#### Article 28. Copyright

Contractor and PREPA shall jointly defend any suit or action brought against either party based on a claim that any document, report, study, analysis, copyrighted composition, article or any by-product of those, either used in the performance of the Services by Contractor or provided to PREPA by Contractor as part of its Services, 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. The Party of this Contract subject to the claim or that becomes aware of a potential claim shall promptly notify in writing the other Party of this Contract, and give the authority, information, and assistance reasonable and necessary for the defense of such claim.-----

#### Article 29. Non-Discrimination

The Contractor agrees that it will 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 30. Safety

All work performed must be in compliance to 29 CFR 1910 and 29 CFR 1926, and any additional safety PREPA requires.-----

# Article 31. Contractor's Certification Requirement

under the Contract. ------

#### Article 32. Transfer of skills and technical knowledge

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 33. Certification of other Contracts with other Entities

The Contractor certifies that at the time of execution of this Contract it has no other contracts with other agencies, public corporations, municipalities, and/or instrumentalities of the Government of Puerto Rico. The Contractor acknowledges and accepts that the failure to list any current contractual relationship with any governmental entity may result in the termination of this Contract if required by PREPA.-----

## Article 34. Administrative Bulletin OE-2021-029 and Circular Letter 013-2021

The Parties hereby acknowledge the requirements and procedures set forth in Administrative Bulletin No. OE-2021-029 issued by the Governor of Puerto Rico, Hon. Pedro R. Pierluisi, on April 27, 2021 ("OE-2021-29") and Circular Letter No. 013-2021 issued on June 7, 2021, by the Office of Management and Budget ("CC 013-2021"), applicable to professional services agreements with a maximum amount of \$250,000 or more per fiscal year. However, in accordance with the exceptions authorized in the Contracting Measures, PREPA filed a petition with the Office of Management and Budget seeking to be exempted from the Contracting Measures which was thereafter approved. Consequently, in accordance with the exceptions authorized in OE-2021-29 and CC 013-2021, the execution of this Contract is exempt from the requirements and procedures established in the abovementioned provisions.-----

# Article 35. Entire Contract

Puerto Rico Electric Power Authority

Tetra Tech, Inc.

Josué A. Colón Ortiz Executive Director Tax ID: 660-43-3747 Fernando L. Pagés Rangel Director Tax ID: 660-81-9730 Annex

#### 2024-P00024

# GOVERNMENT OF PUERTO RICO PUERTO RICO ELECTRIC POWER AUTHORITY PROFESSIONAL SERVICES CONTRACT

-----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, Josué A. Colón Ortiz, of legal age, married, engineer and resident of Caguas, Puerto Rico.



AS SECOND PARTY: Regulatory Compliance Services, Corp. (Contractor), a corporation organized and existing under the laws of Puerto Rico, represented in this act by its President, Osvaldo Carlo Linares, of legal age, married, and resident of San Juan, Puerto Rico, authorized by virtue of Resolution dated September 2, 2022.-----

## ------WITNESSETH------

-----TERMS AND CONDITIONS------

#### Article 1. Scope of Services

1.1 The Contractor will provide PREPA's Governing Board and its Executive Director with oversight of the use of the federal funds allocated for disaster relief or any other federal allocation, exclusively in connection with PREPA's hydro plants, assets and projects.-----

In addition, the Contractor can perform audits of existing contracts in order to ensure that the same comply with federal and local law, are being executed as agreed and are in the best interests of PREPA. For the purposes of this Contract, the term existing contracts shall mean any and all contracts executed by and on behalf of PREPA in relation to its hydro plants, assets, projects, and processes and any and all contracts executed by and on behalf of PREPA in connection with PREPA's transmission and distribution system before June 1, 2021. For the avoidance of doubt, PREPA and the Contractor hereby acknowledge that the services contemplated hereunder (including, without limitation, Contractor's oversight and audit functions) do not cover any contracts executed by LUMA Energy, LLC, LUMA Energy ServCo, LLC (collectively known as "LUMA Energy") as agent of PREPA under that certain Puerto Rico Transmission and Distribution System, Operation and Maintenance Agreement dated as of June 22, 2020 (the "T&D OMA") or any of the processes carried out by Luma Energy as operator of PREPA's Transmission and Distribution System as defined in the T&D OMA. In addition, PREPA and the Contractor hereby acknowledge that the services

contemplated hereunder (including, without limitation, Contractor's oversight and audit functions) do not cover any contracts executed by Genera-PR, LLC, as agent of PREPA under that certain Puerto Rico Legacy Generation, Operation and Maintenance Agreement dated as of January 24, 2023 (the "Legacy Generation OMA" or any of the processes carried out by Genera-PR as operator of PREPA's Legacy Generation System as defined in the Legacy Generation OMA.-----

- 1.2 In the event that any irregularities are found, the Contractor can prepare referral packages to federal and local administrative or law enforcement agencies.-----
- 1.3 The Contractor would provide PREPA with the service of top professionals nationally recognized in the field of federal regulatory law. Services include, but are not limited to, the following:----
  - a) Comprehensive financial oversight as per the limitations set forth in Section1.1 of this Contract.
  - b) Document review and management, as per the limitations set forth in Section 1.1 of this Contract.
  - c) Compliance counsel.
  - d) Policy and federal government relation services.
  - e) Forensic audits, as per the limitations set forth in Section 1.1 of this Contract.
  - f) Response to federal audits and investigations.
  - g) Regulatory interactions.

- 1.4 The services will be compensated by PREPA for the Contractor's services based on hourly rates, as established on Article 6, Payment. -----
- 1.5 At the direction of PREPA's Executive Director, the Contractor may be required to work with other consulting, legal, investment, or other type of firms. The Parties agree to discuss such assignment in advance, so that all the Parties have a clear understanding as to their responsibilities.-----
- 1.6 All services described in this Article 1 shall be defined in this Contract as the "Services".-----

# Article 2. Services Coordination

All the Services of Contractor in relation to the terms and conditions of this Contract will be coordinated through PREPA's Executive Director or the person delegated by him.----

## Article 3. Contract Assignment or Subcontract

The Contractor shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA give written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Contractor delivers to 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 Contractors' 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 Contractors' 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. A request to subcontract shall specify the issues or matters that will be referred to the subcontractor. These services shall be paid as part of the Contract Amount, as stated in Article 6, Payment.

#### Article 4. Contract Term

This Contract shall be in effect from the date of its execution until June 30, 2024, (The Contract Term). The Contract may be extended, for an additional annual fiscal period, at the exclusive option of PREPA and subject to the availability of funds, only by written amendment agreed upon by both Parties.-----

#### Article 5. Contract Termination

5.1 PREPA shall have the right to terminate this Contract, at any time, with thirty (30) days prior written notice by registered mail, return receipt requested, or overnight express mail to the Contractor. If notice is given, the Contract shall terminate upon the expiration of the 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. The Contractor shall have no further right to compensation except for what has been accrued for services rendered under the Contract until said date of effective termination.

5.2 PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Contractor, without prior written notice.

## Article 6. Payment

- 6.1 In accordance with the terms and conditions contained herein, PREPA agrees, and Contractor accepts that the total amount to be paid under the Contract shall not exceed a cumulative amount of two hundred thousand dollars (\$200,000), including reimbursable expenses, if any (the "Contract Amount"). All payments to be made under this Contract will be charged to account 1-4019-92320-556-673. PREPA will only pay for Services already rendered before the submitted invoice date. PREPA will not be required to make advance payments for any future service to be rendered by Contractor under the Contract.------
- 6.2 Nothing herein shall preclude the Parties from agreeing to increase said amount in writing and signed by both Parties.-----
- 6.3 PREPA will pay for the Services rendered by Contractor according to the following hourly rates:-----

#### **FEE SCHEDULE**

Attorneys	Fee Per Hour
José M. Pizarro Zayas	\$350.00
Osvaldo Carlo Linares	\$350.00
Lydia Ramos	\$300.00

**Engineering Advisors** 

Carmen Cortes	\$275.00
Other attorneys	\$200.00
Paralegal Specialists	\$125.00
Forensic Accountants (CPA's)	Fee per Hour
Luis O. Rivera	\$350.00
Other Forensic Accountants (CPAs)	\$275.00
Other accountants	\$125.00

Fee per Hour

\$200.00

6.4 Should the Contractor assign another person or professional category to attend to PREPA's matters pursuant to this Contract, the Contractor shall promptly send PREPA an amended to include such person's name/professional category, position and rate, as well as request approval from PREPA. Any person engage by the Contractor after the execution of the Contract must complies with the professional requirements, credentials and qualifications required by PREPA. The Contractor shall provide evidence of those requirements and credentials (Ex: professional license, experience, etc.) before the person/professional commencement any work.-----

6.5 The Contractor shall immediately notify PREPA when the billing under the Contract amounts seventy-five percent (75%) of the Contract Amount. Once this notification has been issued, the Contractor, in coordination with PREPA, will ensure that no services will be rendered more than the Contract Amount, except that a written amendment is agreed upon by both Parties. In addition, the Contractor shall present an itemized list of the remaining billable Services under the Contract.-----

#### Article 7. Invoices

- 7.1 Contractor shall submit its invoices monthly for the work already performed during the preceding month. Contractor will provide to PREPA an invoice for each billing period which will include a description of the services rendered and the number of hours spent by each person. The invoice for professional services shall be itemized and must be duly certified by an authorized representative of the Contractor.----
- 7.2 PREPA will review the invoices upon receipt, and if they are in compliance with the requirements set forth in this Contract, it will proceed with payment. Payment is due sixty (60) days of receipt of the invoice with all the supporting documents required. PREPA reserves the right to conduct the audits it deems necessary, and it will not be subject to finance charges regarding invoice payments subject to an audit. -----
- 7.3 All invoices submitted by Contractor shall include the following Certification in order to proceed with its payment:-----

#### No Interest Certification:

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

This is an essential requirement and those invoices without this Certification will not be processed for payment. In order to comply with the certification requirements set forth above, Contractor shall require that subcontractors, if any approved by PREPA, providing Services also make the certification set forth above in any invoices submitted in connection with the Services. ------

## Article 8. Transfer of Funds

8.1 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 contract information.-----

8.2 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. -----8.3 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 9. Information and Material Facts

9.1 PREPA shall promptly provide to Contractor all information under the control of PREPA and necessary for Contractor to perform the Services under this Contract and those material facts that Contractor may reasonably require in order to provide its Services to PREPA. PREPA will ensure, to the best of its knowledge and belief, that the documents, data, and other information and material facts provided to Contractor, which are under its control, are true and complete, and does not constitute misleading or inaccurate information and Contractor shall be entitled to rely on the accuracy and completeness of the documents, data, and other information and material facts.-----

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- 9.2 PREPA will notify Contractor in writing of any developments of which PREPA becomes aware, and which PREPA considers may have a material effect with respect to the information and/or facts provided to Contractor.-----
- 9.3 PREPA shall promptly provide to Contractor all information to determine which among them will implement and maintain the various parts of the safety and health program, to ensure protection of all on-site workers before work begins. Include information to assess hazards and to avoid creating hazards that affect workers on the site.
- 9.4 The Contractor shall comply with all applicable laws, ordinances, rules, regulations and Occupational Safety and Hazard Act (OSHA) standards for the safety of personnel, equipment, property and to protect them from damage, injury or loss, and any other PREPA Safety additional requirements. The Contractor is responsible to provide to its personnel all the required safety equipment to comply with OSHA regulation.-----

#### Article 10. Information Disclosure and Confidentiality

- 10.1 The Parties shall take all reasonable steps to keep confidential and use only for the purposes contemplated by the terms of the Contract the information provided by PREPA and/or Contractor, and take all reasonable steps to ensure that such information is not disclosed or distributed by its employees or agents in violation of the terms of this Contract.-----
- 10.2 The Parties also agree that, except as agreed to in writing by both Parties, they will not, at any time after termination of this Contract, disclose any confidential

information to any person whatsoever, or permit any person whatsoever to examine and/or make copies of any reports prepared by Contractor or under its control by reason of its consulting services, and that upon termination of this Contract each Party will turn over to the other all documents, papers, and other matters in its possession or under its control that relate to the other Party. Contractor may retain one file copy for its records.-----

- 10.3 The term "confidential information" shall include, but not be limited to, all information provided to Contractor by PREPA or at PREPA's direction regarding its facilities or operations and any and all information gathered or developed by Contractor regarding the same. The Parties further agree that proprietary records and documents related to Contractor's business operations are confidential to Contractor and will not be disclosed to PREPA or other Parties, except as ordered by the court. The Parties agree that PREPA will resist any attempt by opposing counsel or other Parties to obtain Contractor's proprietary information. The term "confidential information", however, will not include information that:-----
  - (i) is or becomes public other than through a breach of this Contract;
  - (ii) is known to the receiving Party prior to the date of this Contract and with respect to which the receiving Party does not have any obligation of confidentiality; or
  - (iii) is independently developed by the receiving Party without use of, or reference to, confidential information.

- 10.4 The Parties acknowledge that disclosure of any confidential information by either Party will give rise to irreparable harm to the injured Party inadequately compensable in damages. Accordingly, either Party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies, which may be available.----
- 10.5 If this Contract terminates for any reason, Contractor shall maintain in strictest confidence both; during the term of this Contract and subsequent to termination of this Contract, and shall not during the term of this Contract or thereafter disclose or divulge to any person, firm, or corporation, or use directly or indirectly, for its own benefit or the benefit of others, any information which in good faith and good conscience ought to be treated as confidential information including, without limitation, information relating to PREPA's operations or trade secrets relating to the business or affairs of PREPA which Contractor may acquire or develop in connection with or as a result of the performance of the Services hereunder. In the event of an actual or threatened breach by Contractor of the provisions of this paragraph, PREPA shall be entitled to injunctive relief for such breach. Nothing herein shall be construed as prohibiting PREPA from pursuing any other legal remedies available, including the recovery of damages from Contractor.
- 10.6 The above provisions do not apply with respect to information, which Contractor is requested to disclose under applicable law and regulations, court order, subpoena or governmental directives, in which case Contractor shall provide

PREPA prompt notice of such request in order to procure for PREPA a reasonable opportunity to oppose such disclosure. Contractor agrees to expeditiously notify and submit to PREPA a copy of any court order or subpoena and to the extent possible provide any assistance to PREPA (in the form of documents) regarding the submission of such information.----

10.7 With respect to this Contract and any information supplied in connection with this Contract and designated by the disclosing Party as confidential, the recipient agrees to: (i) protect the confidential information in a reasonable and appropriate manner and in accordance with applicable professional standards; (ii) use confidential information only to perform its obligations under this Contract; and (iii) reproduce confidential information only as required to perform its obligations under this Contract.-----

Article 11. Rights and Titles

- 11.1 The Contractor will submit any reports reasonably required by PREPA regarding the Services performed under this Contract. If required by PREPA, at the completion of any assigned task, the Contractor will submit a final written report describing the work it has performed. This requirement shall not be interpreted as a waiver by PREPA of Contractor's ethical obligation and responsibility of keeping PREPA informed of the progress of the assigned matters. -----
- 11.2 All rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by the Contractor exclusively for PREPA as a result of performing its obligations under this Contract shall be

the exclusive property of PREPA. The Contractor shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract. With the exception of items marked as "CONFIDENTIAL" by the Contractor, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any reports, documents, analyses, investigations or any other by-product of the Services performed by the Contractor under this Contract.

#### Article 12. Expenses and Disbursements

- 12.1 PREPA should not be billed for (a) time spent in processing conflict searches, preparing billing statements, or in responding to PREPA inquiries concerning Contractor's invoices; or (b) travel time during which Contractor is billing another client for work performed while traveling. Moreover, PREPA requires that only professional services be billed. Accordingly, PREPA should not be billed for the administrative tasks of creating, organizing, reviewing and/or updating files; routine or periodic status reports; receiving, reviewing, and/or distributing mail; faxing or copying documents; checking electronic mail or converting information to disk, -----
- 12.2 PREPA will reimburse Contractor for actual costs and expenses related to matters assigned to Contractor and for necessary and reasonable out-of-pocket disbursements, subject to the limitations and exceptions set forth below.

12.4 PREPA will reimburse Contractor for separately itemized expenses and disbursements in the following categories: -----

 Messenger/courier service – PREPA will reimburse actual charges billed to Contractor for deliveries (including overnight deliveries) where this level of service is required because of time constraints imposed by PREPA or because of the need for reliability given the nature of the items being transported. Appropriate summaries of messenger/courier expenses must
reflect the date and cost of the service and the identity of the sender and the recipient or the points of transportation. -----

- Air Travel- The cost of air travel will be reimbursed up to an amount of \$500 per person per round trip (including: seat assignment, applicable taxes, and other applicable fees). Contractor shall submit a copy of the airline ticket and paid invoice. Airfare may only be invoiced following completion of travel. ----- Airfare necessary to attend PREPA's official business will be paid by PREPA according to these guidelines. Contractor shall buy an economic class ticket or equivalent, then if desired, he/she may upgrade, but PREPA will only pay the amount corresponding to the economy class or equivalent airfare. Baggage fees will not be reimbursed. -----

Any travel and lodging expense for which a reimbursement is requested shall be reasonable and necessary, and any extraordinary travel and lodging expenses shall be authorized in writing and in advance by PREPA.-----

 Maximum Per Diem Rates (no proof of payment will be required): ----- Meals: - \$57 per person for each traveling day for persons working "on-site" at PREPA. Under no circumstances PREPA will reimburse alcoholic beverages.-----

Lodging (standard not smoking room): - \$200 per person, per night not including government fees and taxes Contractor will use the most economical alternative of lodging, including temporary rentals of apartments or rooms (Airbnb like rentals). For travel period longer than five days, temporary rentals shall be coordinated when this temporary rental is less expensive than hotel accommodation, and evidence of said temporary rental shall be provided. -----

Ground Transportation: - \$20 per person, per working day. If a car is rented for the services to be provided, a fixed amount of \$25 per day will be reimbursed for parking expenses, upon presentation of evidence of the car rental (no proof of payment will be required).-----

 Reimbursable expenses shall not exceed six percent (6%) of the Contract Price in one year and will be reimbursed by PREPA through the presentation of acceptable evidence for such expenses. This limitation does not apply to expenses related to third-party services necessary for Contractor to render

its Services under the Contract, given they are previously approved by PREPA, -----

- Photocopying/printing PREPA will reimburse actual charges for outside binding, and printing services and costs of outside photocopying services, which are not to exceed the actual five (5) cents per page for black and white copies, and twenty-five (25) cents per page for color copies. Summaries of expenditures for copying should reflect both the number of copies made and the cost per copy. ------
- Third-Party Services The approval of PREPA must be obtained in writing
  prior to retaining any third-party services. Contractor shall be responsible for
  ensuring that there are no conflicts of interest between any third party and
  PREPA or between any third-party clients and PREPA. In addition, all
  arrangements with third-party vendors should include an appropriate
  undertaking of confidentiality and data privacy. Invoices from third-party
  vendors should be paid directly by Contractor, incorporated into its invoice to
  PREPA and should include appropriate detail. Copies of third-party invoices
  may be requested by PREPA and should be retained in accordance with
  PREPA's guidelines.
- 12.5 PREPA reserves the right to question the charges on any bill (even after payment) and to obtain a discount or refund of those charges that are disputed. At PREPA's request, copies of bills and records reflecting reimbursable expenses must be provided to PREPA.

#### Article 13. Warranty

- 13.1 Contractor warrants that it shall perform the Services in accordance with the applicable standards of care and diligence at the time of performance of the Services, and which are normally practiced and recognized in performing services of a similar nature (the "Standard"). Should any of the Services provided by Contractor not fulfill the above established Standard, Contractor shall take all necessary corrective measures to rectify such deficient Services, at its own and exclusive cost, whenever such course of action is possible or desirable. The rectification of deficient Services by Contractor shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law or equity for any damages that Contractor's may have caused to it by rendering such deficient Services.
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  - 13.2 No other warranty, express or implied, is made or intended by this Contract, by furnishing oral or written reports of findings made, or by any other act of Contractor.-----

## Article 14. Responsibility for Damages

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.-----

# Article 15. Independent Contractor

15.1 Contractor shall be considered as an independent contractor, for all material purposes under this Contract, and all persons engaged or contracted by

Contractor for the performance of its obligations herein, shall be considered as its . employees or agents, and not as employees or agents of PREPA.-----

15.2 As an independent contractor, Contractor shall not be entitled to any fringe benefits, such as, but not limited to vacation, sick leave, and to which PREPA's employees are entitled.-----

#### Article 16. Employees not to Benefit

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

#### Article 17. Conflict of Interest

- 17.2 Contractor acknowledges that in executing its services pursuant to this Contract it has a duty of complete loyalty towards PREPA which includes not having conflict of interest. "Conflict of Interest" means representing clients who have or may have interests that are contrary to PREPA, but does not include rendering services that are unrelated to the services covered in this Contract. Also, Contractor shall have the continuous obligation to disclose to PREPA all

information and circumstances of its relations with clients and third persons that would result in a conflict of interest which would influence the Contractor when performing its responsibilities under this Contract.----

- 17.3 The Parties understand and agree that a conflict of interest exists when Contractor must advocate a position or outcome on behalf of any existing or future client that is contrary to PREPA's interests. Also, any conduct defined in the Rules of Professional Conduct regarding conflict of interests shall apply to Contractor and its personnel.-----
- 17.4 In the event that any of the partners, directors, agents or employees of Contractor engaged in providing services under this Contract should incur in the conduct described herein, said conduct shall constitute a violation of the prohibitions provided herein.-----
- 17.5 Contractor's partners, directors, agents or employees and personnel shall avoid even the appearance of the existence of conflicting interests.-----
- 17.6 Contractor acknowledges that PREPA's Executive Director shall have the power to intervene with the acts of Contractor and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. In the event that the existence of adverse interests is discovered, PREPA's Executive Director shall inform Contractor in writing of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, Contractor may request a hearing with the Executive Director to present its arguments regarding the alleged conflict of interests. In the event that Contractor

does not request such hearing during the specified thirty (30) day period or the controversy is not satisfactory settled during the hearing, this Contract shall be canceled.-----

17.7 The Contractor certifies that, at the time of the execution of this Contract, it does not have nor does it represents anyone who has Conflict of Interests with PREPA. If such Conflict of Interest arises after the execution of the Contract, the Contractor shall notify PREPA immediately.-----

# Article 18. Notices

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or postage prepaid, by registered, certified or express mail (return receipt requested) or reputable overnight courier service and shall be deemed given when so delivered by hand, or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the Parties to the following addresses:-----

To PREPA:	Puerto Rico Electric Power Authority PO Box 364267 San Juan, Puerto Rico 00936-4267
Attention:	Josué A. Colón Ortiz Executive Director
To Contractor:	Regulatory Compliance Services, Corp. 1509 Lopez Landron PH San Juan, PR 00911
Attention:	Osvaldo Carlo Linares President

#### Article 19. Applicable 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 appearing Parties may have among them regarding the terms and conditions of this Contract.-----

# Article 20. Change in Law

During the term of this Contract, any change in law, including, but not limited to changes in applicable tax law, which cause an increase in Contractor's costs when providing the services, shall be Contractor's responsibility and PREPA shall not be obligated to increase the Contract Amount.-----



#### Article 21. Force Majeure

- 21.1 The Parties shall be excused from performing their respective responsibilities and obligations under this Contract and shall not be liable in damages or otherwise, if and only to the extent that they are unable to perform or are prevented from performing by a force majeure event. -----
- 21.2 For purposes of this Contract, force majeure means any cause without the fault or negligence, and beyond the reasonable control of, the Party claiming the occurrence of a force majeure event.----
- 21.3 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 without 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 event has occurred shall be on the Party claiming the force majeure.-----

# Article 22. Novation

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

#### Article 23. Severability

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

#### Article 24. Save and Hold Harmless

## Article 25. Insurance

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:-----

1. <u>Commonwealth of Puerto Rico Workmen's Compensation Insurance</u>:

The Contractor shall provide Workmen's Compensation Insurance as required by the Workmen's Compensation Act 45-1935 of the Commonwealth of Puerto Rico.

The Contractor shall also be responsible for compliance with said Workmen's Compensation Act by all its sub-contractors, agents, and invitees, if any.------The Contractor shall furnish a certificate from the Puerto Rico's State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's Compensation Insurance, in accordance with this Contract.-----

# 2. Employer's Liability Insurance:

The Contractor shall provide Employer's Liability Insurance with a 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.-----

## 3. <u>Commercial General Liability Insurance:</u>

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.

4. <u>Commercial Automobile Liability Insurance:</u>

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

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.-----

3.

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 (PREPA) 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 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."-----

## Furnishing of Policies:

All required policies of insurance 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 26. <u>Compliance with the Commonwealth of Puerto Rico Contracting</u> <u>Requirements</u>

The Contractor will comply with all applicable laws, regulations and executive orders that regulate the contracting process and requirements of the Government of Puerto Rico, including Act No. 73-2019, as amended, known as the "2019 General Services Administration Act for the Centralization of Purchases of the Government of Puerto Rico" ("Act 73-2019"). In compliance with the provisions of Act 73-2019, the Contractor has provided PREPA the Certification of Eligibility of the Unique Registry of Professional Services Providers (known in Spanish as "Certificado de Elegibilidad del Registro Único de Proveedores de Servicios Profesionales", and hereinafter referred to as the "RUP Certification"), issued by the General Services Administration. It is hereby acknowledged that pursuant to the provisions of Article 42 of Act 73-2019, a valid RUP Certification serves as evidence of compliance with the documentation requirements necessary for contracting professional services with the Government of Puerto Rico, particularly those applicable under Act 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico (3 L.P.R.A. § 8611 et seg.), the Puerto Rico Department of Treasury Circular Letter Number 1300-16-16 issued on January 22, 2016, as amended, and the sworn statement before notary public required pursuant to Article 3.3 of Act 2-2018.-----Further, the Contractor hereby certifies, guarantees, acknowledges and agrees to the following:-----

A. The Contractor hereby certifies that as of the execution of this Contract, it has filed income, sales and use ("IVU" for its Spanish acronym), and property taxes returns, in Puerto Rico for the past five (5) years. The Contractor also certifies that it does not have any outstanding debt or other debts with the Government of Puerto Rico for income, IVU taxes (collected by the Department of the Treasury). real or chattel property taxes (collected by the "Centro de Recaudación de Ingresos Municipales" ("CRIM")), unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs from the Department of Labor and Human Resources, nor have debts with the Puerto Rico Child Support Administration (known in Spanish as the Administración Para El Sustento de *Menores* (ASUME). In the event that the Contractor owes taxes or premiums to said government agencies, it agrees that PREPA may withhold any monies due to the Contractor under this Contract to be applied to the payment and cancellation of said debt. The Contractor also certifies that it is in corporate "Good Standing" at the Department of State of Puerto Rico. The Contractor hereby represents and certifies that it is duly authorized to do business under the laws of Puerto Rico by the Department of State and the execution, delivery and performance of all the services under this Contract are within the Contractor authorized powers and are not in contravention of law. The Contractor also certifies that it is in compliance with the Merchant's Registration. Accordingly, the Contractor has submitted to PREPA its RUP Certification from the General

- B. 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. ------
- C. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. Seq., 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.-
- D. 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). Contractor will request PREPA not to make such withholdings if, to the satisfaction of PREPA, Contractor timely provides a release from such obligation by the Government of Puerto Rico's Treasury Department. Act 1-2011, section 1062.03.

- E. Compliance with Governmental Ethics, Act 1-2012: Contractor will certify compliance with Act 1 of January 3, 2012, as amended (Act 1-2012), 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.; -------
- F. Act 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People: 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. ------

- G. 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 18 of October 30, 1975, as amended. -----
- I. 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. --
- J. 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.

- K. 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. -----
- L. 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. -----
- M. Dispensation: Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record.
- N. 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.
- O. Provisions Required under Act 14-2004: The Contractor agrees that articles extracted, produced, assembled, packaged or distributed in Puerto Rico by enterprises with operations in Puerto Rico, or distributed by agents established in Puerto Rico shall be used when the service is rendered, provided that they are available.-----

- P. The Contractor certifies that at the time of execution of this Contract it has no other contracts with other agencies, public corporations, municipalities, and/or instrumentalities of the Government of Puerto Rico. The Contractor acknowledges and accepts that the failure to list any current contractual relationship with any governmental entity may result in the termination of this Contract if required by PREPA.-----
- Q. The Parties hereby acknowledge the requirements and procedures set forth in Administrative Bulletin No. OE-2021-029 issued by the Governor of Puerto Rico, Hon. Pedro R. Pierluisi, on April 27, 2021 ("OE-2021-29") and Circular Letter No. 013-2021 issued on June 7, 2021, by the Office of Management and Budget ("CC 013-2021"), applicable to professional services agreements with a maximum amount of \$250,000 or more per fiscal year. However, in accordance with the exceptions authorized in the Contracting Measures, PREPA filed a petition with the Office of Management and Budget seeking to be exempted from the Contracting Measures which was thereafter approved. Consequently, in accordance with the exceptions authorized in OE-2021-29 and CC 013-2021, the execution of this Contract is exempt from the requirements and procedures established in the abovementioned provisions.------
- R. The Contractor certifies that at the time of the execution of this Contract, it is not a public company with shares that are traded on a regulated stock exchange.
   The Contractor certifies that prior to the execution of this Contract, it has

submitted to PREPA a Certification of Legal Entity (known in Spanish as "Certificación sobre Personas Jurídicas").-----

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.

# Article 27. Anti-Corruption Code for a New Puerto Rico

2

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 conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.------Contractor shall furnish a sworn statement to the effect that neither Contractor nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for Contractor has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico (Act 8-2017) or any of the crimes included in Act 2-2018.-----

Contractor hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico (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 Articles 6.8 of Act 8-2012, 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.----

<u>Consequences of Non-Compliance</u>: The Contractor expressly agrees that the conditions outlined throughout this Article are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PREPA to render this Contract null and void, and the Contractor shall reimburse PREPA all money received under this Contract.

#### Article 28. Copyright

Contractor and PREPA shall jointly defend any suit or action brought against either party based on a claim that any document, report, study, analysis, copyrighted

composition, article or any by-product of those, either used in the performance of the Services by Contractor or provided to PREPA by Contractor as part of its Services, 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. The Party of this Contract subject to the claim or that becomes aware of a potential claim shall promptly notify in writing the other Party of this Contract, and give the authority, information, and assistance reasonable and necessary for the defense of such claim.-----

## Article 29. Non-Discrimination

The Contractor agrees that it will 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 30. Safety

All work performed must be in compliance to 29 CFR 1910 and 29 CFR 1926, and any additional safety PREPA requires.-----

#### Article 31. Contractor's Certification Requirement

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 of falseness in such Certification will render the Contract null and void and the Contractor will have the obligation to reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the Contract.

# Article 32. Transfer of skills and technical knowledge

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 33. Entire Contract

The terms and conditions contained herein constitute the entire agreement between PREPA and Contractor with respect to the subject matter of this Contract, and supersede all communications, negotiations, and agreements of the Parties, whether written or oral, other than these, made prior to the signing of this Contract.-----

IN WITNESS THEREOF, the Parties hereto sign this Contract in San Juan, Puerto Rico

this <sup>24</sup> day of <sup>August</sup> , 2023, -----

Puerto Rico Electric Power Authority

Josué A. Colón Ortiz Executive Director Tax ID: 660-43-3747

Regulatory Compliance Services, Corp.

Osvaldo Carlo Linares President Tax ID: 660-62-6120 Email: ocarlo@carlolaw.com

# Contractor Certification Requirement

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

1. The expected contractor's subcontractor(s) in connection with the proposed contract<sup>1</sup> is (are) the following:

Recoms subcontracts individuals to provide specialized services, such as accounting, engineering and others. Subcontractor are paid on an hourly basis for work performed. Under the existing contract, the Puerto Rico Electric Power Authority (PREPA), is provided with the name of the individual subcontractor and the rate per hour. Before any service is provided, PREPA approves the subcontracting, including rate. There is no specific amount of contract payable to each subcontractor that Recoms can pre-determine. This is due to the fact that the payment to subcontractors is based on a rate per hour for work performed.

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:

Regulatory Compliance Services, Corp.

# Osvaldo Carlo Linares-President and Sole Stakeholder

- 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).

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

<sup>&</sup>lt;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.

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

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

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

By: Osvaldo Carlo Linares President Regulatory Compliance Services, Corp.

Date: June 7, 2023

Signature:

# CERTIFICATION OF LEGAL ENTITY

I, Osvaldo Carlo Linares, who hold the position of President in the legal entity named Regulatory Compliance Services, Corp., certify the following:

- 1. That the entity mentioned in this certification is interested in providing professional services to Puerto Rico Electric Power Authority;
- 2. That the contracting entity is a legal entity which is not a public undertaking whose shares are exchanged on the stock exchange;
- 3. That the following persons are all its owners, shareholders or partners whose participation in the legal entity is 25% or more:

Number	% Participation
1. Osvaldo Carlo Linares	100%
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

4. That the following persons are all corporate officials with significant responsibility for controlling, administering or directing in the decision-making of the ordinary business of the legal entity:

Number	Title/Role
1. Osvaldo Carlo Linares	President
2. Monica Vizcarrondo Colondres	Secretary-Administrator
3.	
4.	
5.	

- 5. That all information contained in this Certification is correct;
- 6. That the veracity of all the information included in this document and certified by my signature is an essential condition to be able to provide services to the aforementioned entity of the Branch Executive and that, if it is not correct, in whole or in part, such circumstance will be sufficient for the termination of the professional services contract signed between both parties.
- 7. That I fully understand and acknowledge the legal, criminal or administrative consequences of this Certification in the event that its content is false.

And for the record I sign today 24th of August of 2023

Signature of the Representative Person of the Legal Entity