

**COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ELECTRIC POWER AUTHORITY**

**PROFESSIONAL SERVICE CONTRACT**

**2020-P00002A  
FIRST AMENDMENT**

**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, represented in this act by its Chief Executive Officer/Executive Director, José F. Ortiz Vázquez, of legal age, married and resident of San Juan, Puerto Rico.-----

AS SECOND PARTY: Sargent & Lundy, L.L.C. (Consultant), a limited liability company organized and existing under the laws of the State of Illinois, United States of America, authorized to do business in Puerto Rico, represented in this act by its Vice President, Matthew R. Thibodeau, of legal age and resident of Illinois, USA, by virtue of the Power of Authority dated as of June 26, 2019.-----

Both PREPA and Consultant are herein individually referred to as a "Party" and collectively referred to as the "Parties".-----

**-----WITNESSETH-----**

In consideration of the mutual covenants and agreements contained in this First Amendment, hereinafter stated, the Parties agree themselves, their personal representatives, and successors as follows:-----

**STATE**

WHEREAS: The appearing Parties executed the Professional Services Contract 2020-P00002 (Contract) on July 1, 2019, with a maximum amount of nine million

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eight hundred seventy three thousand nine hundred dollars (\$9,873,900) (Contract Amount) and effective until June 30, 2020 with an additional extension of one year, subject to availability of funds. Through this Contract, the Consultant provides professional services and financial consulting services, including expert testimony services related to the electric system owned by PREPA. Also, the Consultant provides technical, financial and contract support to PREPA with its privatization and transformation efforts to meet its financial goals.-----

WHEREAS: The Contract Amount includes five hundred fifty-eight thousand nine hundred dollars (\$558,900) for reimbursable expenses in connection with the provision of Consultant's Services thereunder.-----

WHEREAS: In the original Contract release, the Parties agreed to make an allocation of budgets for eight different work stream tasks assigned to the scope of work.-----

WHEREAS: To permit flexible Services support requested by PREPA, the Parties desire to amend the Contract to relocate the budgets for eight different work stream tasks assigned to the scope of work as set forth below.-----

WHEREAS: At the date of the execution of the Contract, the tax identification number (Tax ID) provided by the Consultant was 049-66-9221. Notwithstanding the foregoing, the correct Tax ID for the Consultant is 36-1729848. So that the accurate Tax ID is identified and referenced going forward, it is necessary to correct such number in the Contract.-----

THEREFORE: In order to continue receiving the Consultant's Services the appearing Parties hereby agree to enter into this First Amendment under the following terms and

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conditions:-----

Unless otherwise defined herein, the capitalized terms referenced in this First Amendment shall have the meanings ascribed to them in the Contract.-----

**TERMS AND CONDITIONS**

FIRST: The Parties agree to delete the chart contained in Article 7.3 of the Contract in its entirety and replace it with the following, including the payment account information provided immediately thereafter:-----

Task No.	Work Stream Task Description	Work Stream Labor Budget	Work Stream Expenses Budget
1.	Contract and Optimization Support		
2.	Transmission and Distribution Roadmap Planning		
3.	Market Sounding Support		
4.	Insurance Claim and Expert Witness Support		
5.	Fuel Gas Master Planning		
6.	Generation Repowering Planning		
7.	Continued Support for IE Reports and Integration		
8.	Strategic Planning and Support		
<b>Not to Exceed Total Contract Amount</b>		<b>\$9,315,000</b>	<b>\$558,900</b>

The payments to be made under this Contract for Fiscal Year 2020 will be charged to account number 01-4019-92319-556-673.-----

SECOND: The Parties agree to amend Article 7.4 of the Contract, to include the following clarification beneath the “Sargent & Lundy Consulting (‘SLC’) Hourly Rates” chart, which will be applicable thereto, “The above SLC hourly rates will apply to all invoices submitted for Fiscal Year 2020 with project part numbers beginning with A13741.”-----

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The remaining provisions of Article 7.4 of the Contract, not affected by this amendment shall remain unaltered and fully enforceable.-----

THIRD: Article 7.4 of the Contract is further amended to include the following clarification beneath the “Electric Grid Infrastructure Services Group (‘EGIS’) Hourly Rates” chart, which will be applicable thereto, “The above EGIS hourly rates will apply to all invoices submitted for Fiscal Year 2020 with project part numbers beginning with A13808.”-----

The remaining provisions of Article 7.4 of the Contract, not affected by this amendment shall remain unaltered and fully enforceable. -----

FOURTH: The Parties agree to delete the third note under the EGIS Hourly Rates chart of Article 7.4 of the Contract in its entirety and replace it with the following: “3. As permitted in paragraph (h) of Article 8.3 of the Contract, Subcontractors will be billed with a 10% handling charge, or commensurate with their work scope at Consultant’s discretion.”-----

FIFTH: The Parties agree to delete paragraph (h) of Article 8.3 of the Contract in its entirety and replace it with the following: “(h) except as set forth in Article 7.4, mark-ups or surcharges on any cost or expense.”-----

SIXTH: The Parties agree to delete the incorrect Tax ID of Sargent & Lundy, L.L.C. referenced in the signature block of the Contract and replace it with the correct Tax ID, which is 36-1729848.-----

SEVENTH: As for the original Contract, Consultant will continue to comply with all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico. Particularly:

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Law 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.-----

A. Consultant shall provide, with the corrected Tax ID number, within seven (7) days from the execution date of this First Amendment, the following documents, with the exception of the sworn statement in accordance with the Anti-Corruption Code, which shall be provided at the execution of the First Amendment:-----

1. Sworn Statement 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, 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.-----
2. Certificate issued by the Treasury Department of Puerto Rico which indicates that Consultant does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms.-----
3. An Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico, Area of Internal Revenues, assuring that Consultant has filed his Income Tax Return for the last five (5) tax years.-----
4. Certificate issued by the Municipal Revenues Collection Center (MRCC), demonstrating that Consultant does not owe any tax.-----

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5. Certificate issued by the Municipal Revenues Collection Center (MRCC), indicates that Consultant has filed the Personal Property Tax Return to such governmental agency.-----
6. Certificate issued by the Department of Labor and Human Resources of Puerto Rico, that indicates that Consultant has paid to the Department of Labor and Human Resources of Puerto Rico its employee contributions in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness), or is paying such contributions by an installment plan and is in full compliance with its terms.-----
7. Certificate issued by the Department of Labor and Human Resources of Puerto Rico, that indicates that Consultant has paid to the Department of Labor and Human Resources of Puerto Rico its employee contributions in accordance with the Puerto Rico Employment Security Act (social security for chauffeurs), or is paying such contributions by an installment plan and is in full compliance with its terms.-----
8. Certificate issued by the Puerto Rico Child Support Administration (ASUME) assuring that Consultant is in compliance with the collection of child support payments.-----
9. A copy of the Merchant Registration Certificate.-----
10. Certificate issued by the Treasury Department of Puerto Rico which indicates that it does not owe Puerto Rico Sales and Use Taxes to the Commonwealth of

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Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms.-----

11. Puerto Rico Sales and Use Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico, Area of Internal Revenues, assuring that Consultant is in compliance with it.-----

12. Good Standing Certificate issued by the State Department of Puerto Rico.-----

13. Existence Certificate issued by the State Department of Puerto Rico.-----  
Consultant hereby recognizes and agrees that no payment for Services under the Contract shall be done by PREPA until all the required certifications and sworn statement have been provided.-----

B. Dispensation

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

C. Rules of Professional Ethics

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

D. 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.-----

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E. Consultant hereby agrees to comply with the provisions of Act 2-2018, known as the Anti-Corruption Code for the New Puerto Rico.-----

Consultant shall furnish a sworn statement 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, 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 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 this 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, as amended, known as the Organic Act of the Office of Government

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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.-----

Consequences of Non-Compliance

Consultant expressly agrees that the conditions outlined throughout this Section are essential requirements of this Contract. Consequently, should any one of these representations, warranties or certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PREPA to render this Contract null and void. If any of the certifications listed in this Section shows a debt, and Consultant has requested a review or adjustment of this debt, Consultant hereby certifies that it has made such request at the time of the Contract execution. If the requested review or adjustment is denied and such determination is final, Consultant will provide, immediately, to PREPA a proof of payment of this debt; otherwise, Consultant accepts that the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments. Consultant accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Consultant and subcontractor whose service Consultant has secured in connection

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with the Services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.-----

F. Consultant understands and agrees that PREPA is prohibited to process any payment under the Contract until the enumerated certifications and sworn statements are submitted to PREPA.-----

EIGHTH: All other terms and conditions, specifications, stipulations, insurances, and requirements established in the Contract, as amended, shall remain unaltered and fully enforceable.-----

In WITNESS WHEREOF, the Parties hereto have agreed to execute this First Amendment in San Juan, Puerto Rico, on this 23 day of December, 2019.-----

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José F. Ortiz Vázquez  
Chief Executive Officer  
Puerto Rico Electric Power Authority  
Tax ID: 660-43-3747

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Matthew R. Thibodeau  
Vice President  
Sargent & Lundy, L.L.C.  
Tax ID: 36-1729848

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