

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 No. 83 of May 2, 1941, as amended (Act 83), 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: Global Consultas Asociados, Inc. (Contractor), a corporation organized and existing under the laws of Puerto Rico, herein represented by its President, Ivan Romero Peña, of legal age, married, and a resident of San Juan, Puerto Rico duly authorized to appear in representation of the Contractor by Corporate Resolution dated May 20, 2019. -----

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

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

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;-----

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 In accordance with the terms and conditions set forth herein, the Contractor will provide at PREPA's request, the following services: legal representation in eminent domain cases, appraisals and surveying of properties, acquisition of land rights, studies of demarcation for each of PREPA's lots, plot plans of lots, with description of boundaries, and similar services included in the Contractor's Proposal, dated March 2019, which is made part of this Contract as Appendix A. In case of discrepancy between the terms of the Contractor's Proposal and the terms and conditions of this Contract, the terms and conditions of this Contract will prevail. The Contractor shall carry out title studies, legal investigations, and render those reports that PREPA may require from time to time and shall draft the documents that are necessary and pertinent for the proper performance of the functions entrusted to it under the provisions of this Contract. The Contractor shall also send to PREPA a copy of any written document prepared by it in relations to the services provided in this Contract. These documents and reports will be delivered to the Restructuring and Fiscal Affairs Administrator. -----

The Services provided by the Contractor will be performed by licensed professionals in the different disciplines contemplated in this Contract. -----

1.2 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. The Contractor is not responsible for worked performed by others. -----

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 Restructuring and Fiscal Affairs Administrator. -----

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. -----

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Article 4. Contract Term

This Contract shall be in effect from the date of its execution until June 30, 2020 (Contract Period). 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 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 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

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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 electric power transmission and distribution system or any of its affiliates, or to any governmental agency, body, public corporation or municipality of Puerto Rico; provided, that PREPA shall notify Contractor no later than thirty (30) days before the effective date of any such Transfer.-----

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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 this Contract shall not exceed a cumulative amount of four million eight hundred and fifty thousand dollars (\$4,850,000), (“Contract Amount”). PREPA will pay the Contractor for its services, at the rates established in the Contractor’s Proposal, dated May 1st 2019, which is made part of this Contract as Appendix A. All payments to be made under this Contract will be charged to account 01-4019-92319-556-673. 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 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 in each task. The invoice for professional services shall be itemized and must be duly certified by 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. 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. -----

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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. Information and Material Facts

8.1 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. -----

8.2 PREPA will advise in writing Contractor 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. -----

Article 9. Information Disclosure and Confidentiality

9.1 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. -----

9.2 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. -----

9.3 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

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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.

9.4 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.----

9.5 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,

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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. -----

9.6 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.-----

9.7 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 10. Rights and Titles

10.1 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. -----

10.2 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 11. 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 12. Warranty

12.1 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.-----

12.2 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 13. 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 14. Independent Contractor

14.1 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. -----

14.2 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 15. 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 16. Conflict of Interest

16.1 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. -----

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16.2 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. If the Contractor is required to provide services to another entity of the Executive Branch under the provisions of Article 27 and such services could result in a conflict of interests, the Contractor will notify PREPA in writing as provided in this article. -----

16.3 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. -----

16.4 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.-----

16.5 Contractor's partners, directors, agents or employees and personnel shall avoid even the appearance of the existence of conflicting interests. -----

16.6 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.-----

16.7 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. -----

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Article 17. 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: José F. Ortiz Vázquez
Chief Executive Officer

To Contractor: Global Consultas Asociados, Inc.
Calle 30SW #1305
Caparra Terrace
San Juan, Puerto Rico 00926

Attention: Iván Romero Peña
President

Article 18. 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 19. 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 20. Force Majeure

20.1 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. -----

20.2 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.-----

20.3 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 21. Novation

21.1 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.-----

21.2 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 22. 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 23. 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, including death, or for property damage, to the extent directly caused by the Contractor by the negligent act or omission, in the performance or nonperformance of its

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 Contractor.-
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 its sole expense. -----

Article 24. Insurance

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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. Commonwealth of Puerto Rico Workmen’s Compensation Insurance:

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

The Contractor shall also be responsible for compliance with said Workmen’s Compensation Act by all its sub-contractors, agents, and invitees, if any. -----

The Contractor shall furnish a certificate from the Puerto Rico 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 \$1,000,000 for each employee and \$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:

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

4. Commercial Automobile Liability Insurance:

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

Professional Liability Insurance:

The Contractor shall provide a Professional Liability Insurance with limits of \$ 1,000,000 per claim and \$ 1,000,000 aggregate. -----

5. 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
- c. An endorsement including this Contract under contractual liability coverage and identifying it by number, date and Parties to the contract
- d. Waiver of subrogation in favor of Puerto Rico Electric Power Authority (PREPA). -----
- e. Breach of Warranties or Conditions: -----

“The Breach of any of the Warranties or Conditions in this policy by the Insured shall not prejudice PREPA’s rights under this policy.” -----

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 25. Compliance with the Commonwealth of Puerto Rico Contracting Requirements

The Contractor will comply with all applicable State Law, Regulations and Executive Orders that regulate the contracting process and establish the requirements for

governmental contracting in the Commonwealth of Puerto Rico, including but not limited to those mentioned in this Article. Also, the Contractor shall provide, before the execution of the Contract the following documents and certifications:-----

A. Executive Order Num. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico: Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. The Contractor further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The Contractor will be given a specific amount of time to produce said documents. During the term of this Contract, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico. ----

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico. Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Contractor will certify and warrant that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a

payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Contractor and Sub Contractor whose service the Contractor has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.-----

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

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The Contractor shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Contractor has filed its Personal Property Tax Return for the last five (5) contributory terms or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by Contractor indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (5) years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of Act 83-1991, as amended, and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.-----

- D. The Contractor shall furnish a Certification issued by the Treasury Department of Puerto Rico which indicates that Contractor does not owe Puerto Rico Sales and Use taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan and is in full compliance with its terms.-----
- E. The Contractor shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Contractor has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods. -----
- F. The Contractor shall provide a copy of Contractor's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico. -----
- G. Puerto Rico Child Support Administration (*ASUME*): The Contractor shall present, to the satisfaction of PREPA, the necessary documentation certifying that the

Contractor nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores (ASUME)*). The Contractor will be given a specific amount of time to deliver said documents.
3 L.P.R.A. § 8611 et seq.-----

- H. The Contractor shall provide a Good Standing Certificate issued by the Department of State of Puerto Rico.-----
- I. The Contractor shall provide a Certification of Incorporation, or Certificate of Authorization to do business in Puerto Rico issued by the Department of State of Puerto Rico.-----
- J. 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.-----
- K. 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.-----
- L. Income Tax Retention Law: PREPA shall deduct and withhold ten percent (10%) of any and all payments to residents of the Commonwealth of Puerto Rico as required by the Internal Revenue Code of Puerto Rico. In case of US citizens and Non-US citizens, which are nonresidents of the Commonwealth of Puerto Rico the Contractor



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

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M. 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.;-----

N. 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.-----

O. 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.-----

P. 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.-----

Q. 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.-----

R. 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.-----

S. 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. -----

T. Prohibition with respect to execution by public officers' contracts with former public

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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. -----

U. Dispensation: Any and all necessary dispensations have been obtained from any

government entity and that said dispensations shall become part of the contracting record. -----

V. 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. -----

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 26. 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

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

PREPA shall have the right to terminate the Contract in the event Contractor is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----

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Consequences of Non-Compliance: 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. Termination by the Chief of Staff of the Governor of Puerto Rico and Interagency Agreements

Pursuant to Memorandum No. 2017-001, Circular Letter 141-17, of the Office of the Chief of Staff of the Governor of Puerto Rico (*Secretaría de la Gobernación*) and the Office of Management and Budget (*Oficina de Gerencia y Presupuesto – OGP*), the Chief of Staff shall have the authority to terminate this Contract at any time. If so directed by the Chief of Staff, PREPA will terminate this Contract by delivering to the Contractor a notice of termination specifying the extent to which the performance of the work under this Contract is terminated, and the effective date of termination. Upon the effective date of termination, the Contractor shall immediately discontinue all services affected and deliver to PREPA all information, studies and other materials property of PREPA. In the event of a termination by notice, PREPA shall be liable only for payment of services rendered up to and including the effective date of termination.-----

Both Parties acknowledge and agree that the contracted services herein may be provided to another entity of the Executive Branch which enters into an interagency agreement with PREPA or by direct disposition of the Office of the Chief of Staff. These services will be performed under the same terms and conditions in terms of hours of work and compensation set forth in this Contract. For the purpose of this clause, the term “entity of the Executive Branch” includes all agencies of the Government of Puerto Rico, as well as public instrumentalities, and public corporations.-----

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Article 28. Non-Discrimination

The Contractor agrees that it will not discriminate against any employee or applicant for employment on account of race, color, religion, sex, sexual orientation, disability or national origin in violation of applicable laws. -----

Article 29. Entire Contract

JFP
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.-----

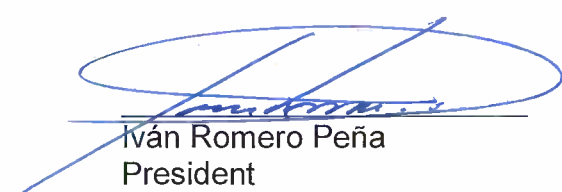
IN WITNESS THEREOF, the Parties hereto sign this Contract in San Juan, Puerto Rico this 1st day of July, 2019. -----

Puerto Rico Electric Power Authority

Global Consultas Asociados, Inc.



José F. Ortiz Vázquez
Chief Executive Officer
Tax ID: 660-433747



Iván Romero Peña
President
Tax ID: 660-73-6894



JM

PROPUESTA DE ASESORÍA A LA AUTORIDAD DE ENERGÍA ELÉCTRICA DE PUERTO RICO

Presentada a:

AUTORIDAD DE ENERGÍA ELÉCTRICA DE PUERTO RICO

MARZO 2019

*Calle 30.50 #1305 Caparra Terrace San Juan, PR 00921
Tél. 939-338-5025 939-338-5031*



INTRODUCCIÓN

La Autoridad de Energía Eléctrica de Puerto Rico (**AAEPR**) fue creada bajo la Ley Núm. 83 de 2 de Mayo de 1941, según enmendada Creando la Autoridad de Fuentes Fluviales [Autoridad de Energía Eléctrica]; Proveyendo para sus facultades y deberes; Traspasando a dicha Autoridad todas las propiedades, derechos, deberes y obligaciones de utilización de las fuentes fluviales; Autorizándola para adquirir, construir, conservar, operar, mejorar y extender empresas productoras de rentas para continuar el desarrollo de las fuentes fluviales de la isla; Proveyendo para la fijación y cobro de tarifas, derechos y otros impuestos por los servicios de tales empresas y para separar o combinar, empeñar, gravar y de otro modo comprometer las rentas de las mismas; Autorizándola a aceptar donaciones y préstamos de los Estados Unidos o de cualquiera agencia o dependencia de los mismos, a tomar dinero a préstamo y emitir bonos negociables, proveyendo para el pago de dichos bonos y para la fijación de los derechos de los tenedores de los mismos; Autorizando a el pueblo de Puerto Rico a adquirir bienes raíces para la Autoridad; Autorizando a los municipios y subdivisiones a ceder y traspasar propiedad inmueble a la Autoridad; Declarando de utilidad pública cualesquiera obras, proyectos e inmuebles necesarios para llevar a cabo los propósitos de esta ley; prohibiendo la expedición de interdictos que impidan la ejecución de esta ley, y para otros fines.

Conforme a lo anterior y para cumplir con los más altos estándares de eficiencia gubernamental, Global Consultas Asociados, Inc. (**GCA**) brindará a la **AAEPR** Servicios de Manejo de Proyectos en la fase de adquisición, registro y venta de terrenos que adelanten los objetivos de la agencia. El resultado de este esfuerzo tiene el propósito de que la **AAEPR** lleve a cabo acciones de toma de decisiones administrativas que fomenten su mandato de ley. De igual forma, estaremos brindando asesoría al Director Ejecutivo de la **AAEPR** en cualquier encomienda que éste asigne a **GCA**.



ALCANCE DE LOS SERVICIOS

Dentro de las facultades que la Ley le brinda a la **AEEPR** en la Sección 6 (h) establece: Adquirir, en cualquier forma legal, incluyendo sin limitación adquisición por compra bien sea por convenio o mediante el ejercicio del poder de expropiación forzosa, arrendamiento, manda, legado o donación, y poseer, conservar, usar y explotar cualquiera empresa o partes de ésta.

GCA, servirá como una organización, independiente en los procesos administrativos y operacionales, que garantice una gestión ágil en la toma de decisiones relacionadas con la adquisición de los bienes de la **AEEPR**.

JAP
La misión de **GCA** es ayudar a nuestros clientes a desarrollar estrategias que promuevan sus iniciativas gubernamentales de desarrollo y políticas públicas. Tenemos el conocimiento y la experiencia para lograr resultados extraordinarios. Teniendo sus objetivos claros, los alcanzaremos de manera oportuna y rentable, que requieren el uso de diferentes elementos para lograr nuestros objetivos. Mantenemos buenas relaciones de trabajo con los principales funcionarios de toma de decisiones gubernamentales, lo que permitirá a la **AEEPR** desarrollar la mejor estrategia para lograr su desafío desde un ángulo innovador.

DESCRIPCIÓN DE TAREAS PROPUESTAS

GCA le proporcionarán como cliente los siguientes servicios:

- Asegurar que la **AEEPR** cumpla con todos las Leyes y Reglamentos aplicables inherentes al manejo de Propiedad Inmueble y Derechos Reales del Gobierno de Puerto Rico.
- Tramitar todas las solicitudes sometidas para la adquisición de aquellas propiedades que a **AEEPR** estime pertinentes.



HONORARIOS

Se facturará hasta un máximo de \$..... hasta el 30 de junio de 2020. Los honorarios por los servicios propuestos se establecen a base de las tarifas de **GCA** y dependerán del nivel de complejidad de cada tarea y la cooperación por parte del personal de la **AEEPR** durante el desarrollo del proyecto.

Los honorarios por los servicios propuestos se establecen como sigue:

Tasaciones y Estudios de Renta		
Descripción de las Propiedades	Tamaño de la Propiedad	Tarifas
Estudios de Renta	Todas	3,750.00
Propiedades Comerciales e Industriales de Complejidad Baja y Promedio. Propiedades de Complejidad Baja y Promedio se definen como aquellas que poseen pocas partidas adicionales (verjas, pavimentos, terminaciones, plomería y maquinaria sencilla)	Menores de 3,000 p ²	\$2,000.00
	Desde 3,001 p ² hasta 5,000 p ²	\$2,500.00
	Desde 5,001 p ² hasta 10,000 p ²	\$3,000.00
	Desde 10,001 p ² hasta 20,000 p ²	\$5,000.00
	Desde 20,001 p ² hasta 40,000 p ²	\$7,000.00
	Desde 40,001 p ² en adelante	Por propuesta individual
e AP Propiedades Comerciales e Industriales de alta Complejidad. Propiedades de Alta Complejidad se definen como aquellas que poseen muchas partidas adicionales (verjas, pavimentos, terminaciones, plomería y maquinaria compleja).	Menores de 3,000 p ²	\$4,000.00
	Desde 3,001 p ² hasta 5,000 p ²	\$6,000.00
	Desde 5,001 p ² hasta 10,000 p ²	\$8,000.00
	Desde 10,001 p ² hasta 20,000 p ²	\$10,500.00
	Desde 20,001 p ² hasta 40,000 p ²	\$14,500.00
	Desde 40,001 p ² hasta 80,000 p ²	\$20,000.00
	Desde 80,001 p ² hasta 120,000 p ²	\$25,000.00
	Mayores de 120,000 p ²	Por propuesta individual
Otros Tipos de Propiedad	Bancos y Fast Foods tipo free standing	\$6,000.00
	Gasolineras Sencillas	\$8,000.00
	Gasolineras Complejas (Con Food Mart, Car Wash, etc.)	\$8,000.00
Solares Vacantes	Menores de 300 m ²	\$2,500.00
	Desde 301 m ² hasta 1,000 m ²	\$3,000.00
	Desde 1,001 m ² hasta 4,000 m ²	\$3,500.00
	Desde 4,001 m ² en adelante	Por Propuesta Individual
Propiedades Especiales	Centros Comerciales e Industriales de alta Complejidad.	Por Propuesta Individual

Servicios de Adquisición		
SERVICIOS	TAREAS	TARIFAS
Publicación de Anuncios	Preparación de Aviso Público	\$75.00 /hora
	Publicación de Aviso en Periódicos de Mayor Circulación	Según Factura
Negociación con Posibles Compradores y/o Expropiación	Tasación de Propiedad	Por Propuesta
	Comparecencia de Tasadores al Tribunal	\$75.00/hora
	Revisión de Tasaciones	\$440.00/Revisión
	Suplemento a Informe de Tasación	\$550.00/Tasación
	Carta de Oferta	\$50.00 c/u
Trabajo Incidental en el Proceso de Adquisición.	Evaluación de Ruta	\$95.00/hora
	Estimados de Rutas	
	Valoración de daños a siembra	
	Estimados de mudanza	
	Estimados de costo por daños de construcción	
	Estimados de demolición	
	Estimados de Costos de Chatarra	
	Revisión de planos	
	Otros trabajos similares	
Investigación de Sucesiones, Estudios Socioeconómicos		
Legal	Certificación Registral y Estudio de Título	\$150.00
	Emplazamientos	\$40.00 a \$70.00
	Comparecencias al tribunal y preparatorias para juicios.	\$125.00/hora
	Legajo; Expropiación, Proceso Legal, Comparecencia y Radicación.	\$2,000.00/Caso
	Escritura de Compraventa o escritura que medie cosa o cantidad de valor determinable que no exceda de \$10,000.00	\$ 150.00
	Escritura de Compraventa o escritura que medie cosa o cantidad de valor determinable que exceda de \$10,000.00, pero no exceda de \$5,000,000.00	1% del valor
	Escritura de Compraventa o escritura que medie cosa o cantidad de valor determinable en exceso de \$5,000,000.00	0.05% del valor

Agrimensura	Plot Plan	\$950.00	
	Plano de Adquisición	Residencias	\$2,000.00
		Finca de Hasta 5 Cuerdas	\$3,500.00
		Mas de 5 Cuerdas	Por Propuesta
	Trabajaos de Agrimensura Adicional	Por Propuesta	

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Gerente	Coordina todas las actividades solicitadas, por el Cliente	\$100.00/hora
Trabajos Adicionales	Trabajos Adicionales solicitados, que no estén contemplados en esta propuesta.	\$125.00/hora

TÉRMINOS Y CONDICIONES

La descripción de las condiciones económicas de esta propuesta se detalla a continuación:

1. Facturación:
 - i. Se someterá una factura mensual detallando las horas trabajadas y/o entregables.
 - ii. Los pagos de todas las facturas del servicio contenido en esta propuesta se efectuarán dentro de los treinta (30) días de recibidas en las oficinas de la **AEEPR**.
2. Si el cliente desea utilizar algún recurso adicional durante el periodo de contratación, el mismo será facturado según tarifas negociadas con el cliente.
3. Se trabajará en conjunto con personal designado de la Oficina del Director de asuntos Jurídicos o la persona que este designe de la **AEEPR**.
4. Esta propuesta tendrá una vigencia de sesenta (60) días a partir de la fecha de la entrega.
5. Derechos Reservados.