



**GOVERNMENT OF PUERTO RICO**  
Puerto Rico Electric Power Authority  
Governing Board

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**RESOLUTION 4671**

**CRUZ ALDECOA FIRST AMENDMENT**

- WHEREAS:** The Puerto Rico Electric Power Authority (PREPA) is a public corporation and an instrumentality of the Government of Puerto Rico created by Act No. 83 of May 2, 1941, as amended (Act No. 83). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental and economic impacts. In addition, provides a service based on affordable, fair, reasonable and non-discriminatory cost that is consonant with environmental protection, non-profit, focused on citizen participation and its clients.
- WHEREAS:** Act No. 83 authorizes PREPA, in the management of its purposes, to grant contracts and formalize all the instruments that are necessary or convenient in the exercise of any of its powers.
- WHEREAS:** Section 15(1)(a) of Act No. 83 states that all purchases made and contracts for supplies or services, except professional services, entered into by PREPA, including its capital construction contracts, shall be made by a bid process.
- WHEREAS:** Section 15(2)(d) of Act No. 83 specifically lists professional services as exempt from the bid process requirements.
- WHEREAS:** On July 10, 2018 PREPA and Cruz Aldecoa P.S.C. (Cruz Aldecoa) signed Professional Services Contract No. 2019-P00002. (Contract)
- WHEREAS:** Cruz Aldecoa provides professional services to PREPA in the preparation of the financial statements, cash flow statement, supplementary schedules, reporting package and any other analysis or work necessary to issue the financial statements for the years ending on June 30, 2016, 2017 and 2018.



WHEREAS: The Contract has a maximum amount of \$350,000 and is effective until June 30, 2019.

WHEREAS: Mr. Nelson Morales Rivera, PREPA's Chief Financial Officer recommends a First Amendment to the Contract to increase its amount by \$300,000.

WHEREAS: Mr. Morales Rivera indicates that PREPA continues to be under significant pressure to release audited financial statements for fiscal years ending on June 30, 2016, 2017 and 2018. These processes have required significant technical accounting and financial support to assist in closing PREPA's books, produce account analysis, evaluate financial transactions, document accounting policies and interact with the external auditors, among other matters.

WHEREAS: As Mr. Morales Rivera mentioned on his memorandum of November 30, 2018, the auditing process has faced some significant accounting issues that were not contemplated on the original proposal, such as: utility plant, accounts payable related to fuel, material obsolescence and warehouse A005, among others.


WHEREAS: Mr. Nelson Morales Rivera certified the availability of the funds for the First Amendment of the Contract for services until June 30, 2019.

WHEREAS: PREPA's General Counsel evaluated the terms and conditions of the First Amendment of the Contract and recommended it subject to approval of PREPA's Governing Board. The amount of the Contract, as amended will be \$650,000.

THEREFORE: According to the applicable dispositions of Act No. 83, and after careful consideration of the General Counsel's recommendation, PREPA's Governing Board hereby resolves to:

1. Authorize the First Amendment of the Contract No. 2019-P00002 between PREPA and Cruz Aldecoa P.S.C. for an additional amount of \$300,000 for a total cost of \$650,000, until June 30, 2019.

Approved in San Juan, Puerto Rico, in 30<sup>TH</sup> day of January two thousand nineteen.

  
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Eduardo Arosemena- Muñoz  
Secretary of the Board