



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

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RESOLUTION 4700 O'MELVENY & MYERS, LLP

- WHEREAS: The Puerto Rico Electric Power Authority (PREPA) is a public corporation and an instrumentality of the Government of Puerto Rico created by Act 83 of May 2, 1941, as amended (Act 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, PREPA provides a service based on affordable, fair, reasonable and non-discriminatory cost that is consistent with environmental protection, non-profit, focused on citizen participation and its clients.
- WHEREAS: Act 83 authorizes PREPA 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 83 states that all purchases made and contracts for supplies or services, except professional services, entered into by PREPA, including capital construction contracts, shall follow a bid process.
- WHEREAS: According to Section 15(2)(d) of Act 83, a competitive bidding process 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 said process.
- WHEREAS: PREPA needs professional legal advice on various matters related to the ongoing restructuring, including legal issues arising from the operational and financial restructuring, privatization and Title III litigation. PREPA also needs advice for interactions and issues that involve the Financial Oversight and Management Board for Puerto Rico (FOMB) and other stakeholders of the transformation and privatization process.



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WHEREAS: Mr. Fernando Padilla-Padilla, Restructuring and Fiscal Affairs Administrator, requests authorization to make a direct negotiation with O'Melveny & Myers, LLP, to formalize a professional services contract for the aforementioned services, which also include mediation, fiscal plan issues, plan of adjustment development, finance, securities and corporate. Also, for services related to interactions with the FOMB, stakeholders' engagements, the transformation process, and other matters as requested by PREPA.

WHEREAS: Mr. Padilla-Padilla recommends a professional services contract with a maximum amount of \$9,000,000, from its execution date until June 30, 2020.

WHEREAS: On May 15, 2019, the Finance Directorate certified the availability of funds in the budget for Fiscal Year 2019-2020, for this contract.

WHEREAS: PREPA's General Counsel considered the information provided by Mr. Padilla-Padilla and concluded that the professional services of O'Melveny & Myers, LLP are necessary for PREPA's restructuring, including legal issues arising from PREPA's ongoing operational and financial restructuring, privatization and Title III litigation, and may be carried out through a professional services contract without a competitive bid process, according to the faculty granted to PREPA by Section 15(2)(d) of Act 83.

THEREFORE: In accordance with Act 83, PREPA's Governing Board resolves to:

1. Authorize the Chief Executive Officer to execute the Professional Services Contract with O'Melveny & Myers, LLP, for a maximum amount of \$9,000,000, from its execution until June 30, 2020.
2. The General Counsel will review the terms and conditions of the contract to ensure that they meet the legal requirements regarding government contracting.

Approved in San Juan, Puerto Rico, on the twenty-ninth day of May two thousand nineteen.


Eduardo Arosemena- Muñoz
Secretary of the Board