



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4701 ANKURA CONSULTING GROUP 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 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: Ankura Consulting Group, LLC ("Ankura"), has provided services to PREPA since June 2017. Ankura assisted in preparing PREPA for the filing of the Title III petition and all the financial and operational implications that naturally emerge with said filing. Currently, Ankura advises and assists PEPA on various matters related to: Title III; cash liquidity; updates to PREPA's fiscal plan; fiscal year budget; preparation of PREPA's transformation plan; support in FEMA reimbursement process, and coordination, support and communication with FAFAA, FOMB, COR3, and P3 advisors and critical load entities. Also, Ankura



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provides coordination, support and communication with our staff and advisors to ensure compliance with PREPA's objectives. PREPA requires Ankura's services in order to provide continuity to the aforementioned work.

WHEREAS: Mr. Fernando Padilla-Padilla, Restructuring and Fiscal Affairs Administrator, recommends and requests authorization to make a direct negotiation with Ankura to formalize an amendment to their current operative professional services contract with the purpose of increasing the contract amount by \$1,200,000 in order to cover the services provided by Ankura until the expiration of their current professional services agreement, that is, until June 30, 2019. The amendment would increase the contract amount to \$20,150,000.

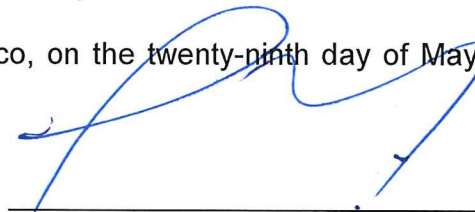
WHEREAS: On May 16, 2019, the Finance Directorate certified the availability of \$1,200,000 for this amendment in the budget for Fiscal Year 2018-2019.

WHEREAS: PREPA's General Counsel considered the information provided by Mr. Padilla-Padilla and concluded that the professional services are necessary for PREPA's current operations, transformation and privatization processes 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 an amendment to the Professional Services Contract with Ankura Consulting Group, LLC, for an increase of \$1,200,000, raising the total contract amount to \$20,150,000, from its execution until June 30, 2019.
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