

**GOVERNMENT OF PUERTO RICO**

Puerto Rico Electric Power Authority

Governing Board

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**RESOLUTION 4724  
GUZMÁN & CO, CPA'S**

- WHEREAS:** The Puerto Rico Electric Power Authority (PREPA) is a public corporation and an instrumentality of the Government of Puerto Rico created by the 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 its 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 interest of good administration for such works or services to be contracted without such announcements.
- WHEREAS:** PREPA is currently in the phase of requesting the reimbursements to the Federal Emergency Management Administration (FEMA) and its insurance companies regarding the damages caused by Hurricane María.
- WHEREAS:** Mr. Nelson Morale-Rivera, Chief Financial Officer, requests authorization to execute a professional services contract with Guzmán & Co., during Fiscal Year 2019-2020.



WHEREAS: PREPA requires the collaboration of Guzmán & Co in the following areas: review and corroborate all transactions associated to the restoration and repair of the electric grid; confirm that the reimbursements that will be requested to FEMA or to PREPA'S insurance companies, were recorded in the General Ledger accounts established for this purpose (emergency accounts); assure that those expenses that will not be reimbursed will be classified in their corresponding General Ledger accounts; review and assure that all hurricane expenditures have all the supporting documentation required for the reimbursements readily available, from an accounting perspective; and in the preparation of the reports and the General Ledger accounts reconciliation, related to hurricanes expenditures, necessary for the audit and Single Audit processes.

WHEREAS: Mr. Morales-Rivera recommends a professional services contract with an amount of \$1,214,400, for Fiscal Year 2019-2020.

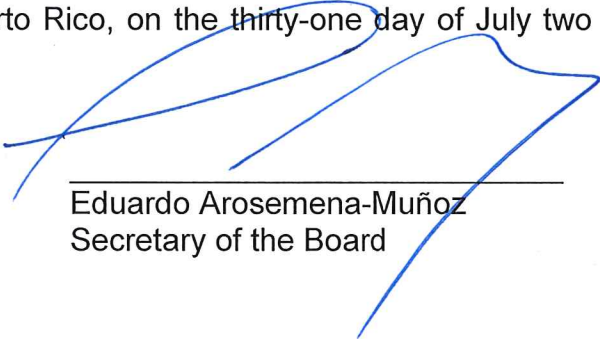
WHEREAS: On July 17, 2019 the Finance Directorate certified the availability of \$1,214,400 in the budget for Fiscal Year 2019-2020.

WHEREAS: PREPA's General Counsel evaluated Mr. Morales-Rivera's memorandum and concluded that the procurement of these services, 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, after the approval of PREPA's Governing Board.

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

1. Authorize the Chief Executive Officer to execute a Professional Services Contract with Guzmán & Co. for a maximum amount of \$1,214,400, for Fiscal Year 2019-2020.
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 thirty-one day of July two thousand nineteen.



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Eduardo Arosemena-Muñoz  
Secretary of the Board