



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4772 AMENDMENT- DÍAZ & VÁZQUEZ LAW FIRM, P.S.C.

- 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 its capital construction contracts, shall follow a bid process.
- WHEREAS: Section 15 (2) of Act 83, lists the instances in which a bid process will not be required.
- 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 process.
- WHEREAS: On August 1, 2019, PREPA and Díaz & Vázquez Law Firm, P.S.C. (Consultant), signed Professional Services Contract 2020-P00019, with a maximum amount of \$475,000 (Contract Amount), until June 30, 2020, with an additional extension of one year, as provided in Article 4 of the Contract, subject to the availability of funds.
- WHEREAS: Through this Contract, the Consultant provides PREPA legal services in connection with the bankruptcy procedure of PREPA, filed under Title III and pursuant to the Puerto Rico Oversight, Management and Economic Stability Act (PROMESA). The Consultant provides PREPA legal representation in cases filed at the local or federal levels, in labor and employment claims, including



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claims for discrimination, dismissal, salaries, breach of labor contracts, and legal opinions, among other matters. In addition, the Consultant provides necessary legal assistance in any other matters referred by PREPA for the defense of its interests.

WHEREAS: On September 26, 2019, PREPA's Governing Board, through Resolution 4735, authorized an increase in the Contract Amount by \$2,597,000, for Fiscal Year 2019-2020.

WHEREAS: In accordance with Resolution 4735, on September 30, 2019, PREPA and the Consultant executed the First Amendment of Contract 2020-P00019 to increase the Contract Amount by \$2,597,000, from \$475,000 to \$3,072,000, for Fiscal Year 2019-2020.

WHEREAS: During Fiscal Year 2019-2020, PREPA considered assigning some Puerto Rico Energy Bureau (PREB) related work and litigation to another Law Firm from the United States, John Ratnaswasmy Firm (Law Firm), which had previously provided those professional services to PREPA. However, said Law Firm declined to continue with the contractual relationship with PREPA, leaving PREPA with the necessity of reassigning those tasks to another contractor. Those services had been estimated at one million dollars.

WHEREAS: PREPA began to assign considerable PREB related work to the Consultant, in matters of the Integrated Resources Plan (IRP) process, Ecoeléctrica/Naturgy amended Power Purchase Agreement (PPOA), the recent seismic activity investigation, and the rate case, among others.

WHEREAS: Also, the Consultant has been continuously providing its services to PREPA's Human Resources Directorate, the Litigation Division, and the Berkley Research Group, a contractor retained by the Fiscal Oversight and Management Board (FOMB), for the reconciliation process of proofs of claims required by the FOMB as part of the Title III court proceedings, and PREPA's future adjustment plan.

WHEREAS: Furthermore, PREPA published some Requests for Proposals and completed the whole competitive processes, which resulted in challenges by unsuccessful proponents filing for appellate review at the administrative level, the Puerto Rico Court of Appeals and the Puerto Rico Supreme Court. The appellate proceedings in those cases require a considerable amount of time for the evaluation of the administrative files.

WHEREAS: PREPA estimates the additional legal work not contemplated in the Contract Amount, at an additional \$850,000, for Fiscal Year 2019-2020.

WHEREAS: In order for PREPA to continue receiving the Consultant's legal representation uninterruptedly, Mr. Fernando Padilla-Padilla, Restructuring and Fiscal Affairs Administrator, requests a Second Amendment of Contract 2020-P00019 to increase the Contract Amount by \$850,000, from \$3,072,000 to \$3,922,000, during Fiscal Year 2019-2020. Also, Mr. Padilla-Padilla requests an authorization for the extension of the Contract for Fiscal Year 2020-2021, for the maximum amount of \$4,740,000, subject to the availability of funds.

WHEREAS: PREPA's Chief Financial Officer, Mr. Nelson Morales-Rivera, certified the availability of \$850,000 in the budget for Fiscal Year 2019-2020, for this Second Amendment to Contract 2020-P00019.

WHEREAS: PREPA's General Counsel considered Mr. Padilla-Padilla's memorandum and concluded that the execution of the Second Amendment to the Contract is subject to the approval of PREPA's Governing Board.

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

1. Authorize the Second Amendment to Contract 2020-P00019, between PREPA and Díaz & Vázquez Law Firm, P.S.C., for Fiscal Year 2019-2020, to increase its maximum amount by \$850,000, from \$3,072,000, to \$3,922,000 until June 30, 2020.
2. Authorize an extension of the Contract, for Fiscal Year 2020-2021, for a maximum amount of \$4,740,000, under the same terms and conditions of Contract 2020-P00019, as amended, and subject to the availability of funds.

Approved in San Juan, Puerto Rico, on the twenty-fifth day of March, two thousand twenty.



Eduardo Arosemena-Muñoz
Secretary of the Board