



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4786 FIRST AMENDMENT KING & SPALDING, 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 No. 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. It also provides a service based on affordable, fair, reasonable and non-discriminatory costs that are 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 said process.
- WHEREAS:** On June 26, 2019, PREPA's Governing Board approved Resolution No. 4714, authorizing PREPA's Chief Executive Officer to execute a professional services agreement with King & Spalding, LLP (K&S) up to a maximum of \$7,500,000 (Agreement Amount), including reimbursable expenses, for Fiscal Year 2019-2020.
- WHEREAS:** On June 28, 2019 PREPA and K&S executed Professional Services Agreement 2019-P00126 (Agreement), for Fiscal Year 2019-2020, under the terms approved in Resolution 4714.
- WHEREAS:** Through the Agreement, K&S assists PREPA, as outside counsel, in connection with legal issues arising from: PREPA's ongoing restructuring, strategic, and operational needs; PREPA's ongoing regulatory matters, and all regulatory aspects of the restructuring and/or transformation of PREPA and the electric energy sector in Puerto Rico.



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WHEREAS: As indicated by Mr. Fernando Padilla-Padilla, Restructuring and Fiscal Affairs Administrator, on his Memorandum dated May 19, 2020, PREPA sized the budget of the Agreement based on K&S's annual budget for previous Fiscal Year 2018-2019. However, K&S only performed work during the previous Fiscal Year for eight (8) consecutive months (November 2018 through June 2019), while K&S will work for twelve (12) consecutive months this Fiscal Year.

WHEREAS: In order to continue receiving K&S services without interruption until June 30, 2020, the PMO requests an increase in the Agreement Amount of \$2 million, for a maximum Agreement Amount of \$9,500,000.

WHEREAS: On May 22, 2020, Mr. Nelson Morales-Rivera, PREPA's Chief Financial Officer, certified the availability of funds in the budget of Fiscal Year 2019-2020, for the First Amendment to the Agreement.

WHEREAS: PREPA's General Counsel performed the legal evaluation of this request taking into consideration the terms and conditions of the Agreement, specifically its Article 6, and concluded that there is no legal impediment for this First Amendment, subject to the approval of PREPA's Governing Board.

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

Authorize PREPA's Chief Executive Officer to execute the First Amendment of Agreement 2019-P00126 between PREPA and King & Spalding, LLP for an additional amount of \$2 million, for a total Agreement Amount of \$9,500,000, until June 30, 2020.

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



Eduardo Arosemena-Muñoz
Secretary of the Board