



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4797 KPMG FIRST 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 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 September 10, 2019, PREPA's Governing Board approved Resolution No. 4733, which authorizes a contract for auditing services between PREPA and KPMG, LLP (KPMG) for Fiscal Year 2019-2020.
- WHEREAS: On January 24, 2020, PREPA and KPMG executed Professional Services Contract 2020-P00074 (Contract 2020-P00074), with a maximum amount of \$749,600 (Contract Amount) until June 30, 2020, with the option to an additional extension of one year, subject to the availability of funds. Through Contract 2020-P00074, KPMG provides PREPA with auditing services for the financial statements for fiscal years 2018, 2019 and 2020.



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- WHEREAS: The Finance Directorate is requesting an amendment to extend the Contract term, from July 1, 2020 to June 30, 2021, and increase the Contract Amount by \$662,000 for a total Contract Amount of \$1,242,000, in order to assure the continuity of KPMG's auditing services of PREPA's financial statements.
- WHEREAS: On May 15, 2020, Mr. Nelson Morales-Rivera, Finance Director, certified the availability of \$1,242,000 in the budget for Fiscal Year 2020-2021, for the First Amendment of Contract 2020-P00074.
- WHEREAS: PREPA's General Counsel evaluated Mr. Morales Rivera's memorandum and concluded that the First Amendment to extend the Contract term is allowed by Article 4 of the Contract, after the approval of PREPA's Governing Board.
- THEREFORE: In accordance, with Act 83, PREPA's Governing Board resolves to: Authorize the Chief Executive Officer to execute the First Amendment to Contract 2020-P00074 between PREPA and KPMG, LLP, to extend its term for Fiscal Year 2020-2021, and increase the Contract Amount by \$662,000, from \$580,000, for a total amount of \$1,242,000 for Fiscal Year 2020-2021.

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



Eduardo Arosemena-Muñoz
Secretary of the Board