



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4809 O'MELVENY & MYERS, 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 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 interests of good administration for such works or services to be contracted without such announcements.
- WHEREAS: On July 2, 2017, PREPA, by and through the Financial Oversight and Management Board of Puerto Rico (FOMB), as PREPA's representative pursuant to section 315(b) of PROMESA, filed a petition on behalf of PREPA in the United States District Court for the District of Puerto Rico (the "District Court") under title III of PROMESA (the "Title III Case").
- WHEREAS: O'Melveny & Myers, LLP (O'Melveny), has been representing PREPA in the Title III Case, since August 2018, through Professional Services Contracts 2019-P00007 and 2020-P00009. The current contract is in effect until June 30, 2020. Given PREPA's financial situation and its status as a Title III debtor, the services rendered and the ones to be provided by O'Melveny as liaison between the FOMB legal representatives and PREPA, are necessary.



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WHEREAS: PREPA needs to continue receiving professional legal advice on various matters related to the ongoing restructuring, including legal issues arising from the operational and financial restructuring, privatization and Title III litigation. PREPA also needs advice for interactions and issues that involve the FOMB and other stakeholders of the transformation and privatization process.

WHEREAS: In order to continue receiving O'Melveny's services uninterruptedly Mr. Fernando Padilla-Padilla, Project Management Office, Restructuring and Fiscal Affairs Administrator, requests authorization to execute a professional services contract for Fiscal Year 2020-2021, for a maximum amount of \$9,000,000.

WHEREAS: PREPA's General Counsel considered Mr. Padilla-Padilla's memorandum and concluded that the professional services contract with O'Melveny may be carried out, according to the faculty granted to PREPA by Sections 15(2) (d) of Act 83, with the previous approval of the Governing Board.

WHEREAS: On June 12, 2020, PREPA's Chief Financial Officer, Mr. Nelson Morales-Rivera, certified the availability of \$9,000,000 in the budget for Fiscal Year 2020-2021.

THEREFORE: In accordance, with Act 83, this Governing Board resolves to:

1. Authorize PREPA's Chief Executive Officer to execute the professional services contract with O'Melveny & Myers, LLP, for a maximum amount of \$9,000,000, effective from July 1, 2020 until June 30, 2021.
2. The General Counsel will review the terms and conditions of the contract to ensure that they meet the legal requirements regarding government contracting.
3. The PMO has the obligation to ensure the use of efficient methods and effective costs controls, as well as to develop the appropriate key performance indicators to measure contractor's performance.

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



Eduardo Arosemena-Muñoz
Secretary of the Board