



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4812 FIFTH AMENDMENT – WILLIS TOWERS WATSON CAC, INC.

- 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 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 said process.
- WHEREAS:** For the last two years, PREPA has maintained a contractual relationship with Willis Towers Watson CAC, Inc. (Willis Towers) for forensic accounting and complex insurance claims services, related with the damages suffered by PREPA's properties after Hurricane María.
- WHEREAS:** On July 3, 2018, PREPA and Willis Towers executed Professional Services Contract 2019-P00001, with a Contract Amount of \$495,000 until February 28, 2019, with the option of additional fiscal year extensions, subject to the availability of funds. On February 26, 2019, the Parties executed the First Amendment to the Contract to extend its term until June 30, 2019.



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WHEREAS: On March 27, 2019, the Governing Board approved Resolution 4692, authorizing PREPA's Chief Executive Officer to execute a Second Amendment to the Contract to increase its amount by \$225,000, for a total Contract Amount of \$720,000. In accordance with Resolution 4692, the Second Amendment was executed on April 12, 2019.

WHEREAS: On June 30, 2019, the Parties executed the Third Amendment to the Contract to extend its term from July 1, 2019 to June 30, 2020, with an increase in its amount of \$495,000, for a Contract Amount of \$1,215,000.

WHEREAS: Through Resolution 4780, on April 29, 2020, PREPA's Governing Board, authorized the Fourth Amendment to the Contract to increase its contract amount by \$469,539, for a maximum of \$1,684,539, until June 30, 2020. In accordance with Resolution 4780, the Parties executed the Fourth Amendment.

WHEREAS: For the following reasons, the Finance Directorate requests a one-year extension of the Contract:

- Although PREPA has already provided and submitted substantial amount of information, there is still extensive documentation needed from PREPA to comply with all the Requests for Information (RFI) received from PREPA's insurers.
- There are still 300 substations and 100 buildings that need to be inspected with insurance adjusters. Specialized valuation works on Substations, Buildings, Hydros, Dams and Irrigation Channels are needed to maximize PREPA's insurance claim.
- An extensive amount of documentation that was already analyzed and revised by Willis Towers has to correspond with all Federal Emergency Management Agency (FEMA) claim documentation submitted, particularly, (Damage, Description and Dimension - DDD) to avoid discrepancies with reimbursements claimed from FEMA, duplicity of insurance company's RFI and to obtain the highest insurance claim proceeds possible.

WHEREAS: In order for PREPA to continue receiving the services of Willis Towers, the Finance Directorate, specifically the Risk Management Administration Office requests a time extension of the Contract, from July 1, 2020 to June 30, 2021, with a budget amount of \$1,084,419 for that period.

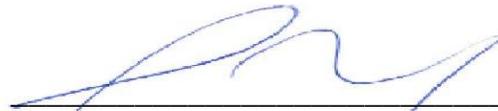
WHEREAS: On May 28, 2020, PREPA's Chief Financial Officer, Mr. Nelson Morales-Rivera, certified the availability of \$1,084,419 in the budget for Fiscal Year 2020-2021.

WHEREAS: PREPA's General Counsel considered Mr. Morales-Rivera's memorandum and concluded that the Fifth Amendment to Contract 2019-P00001 may be carried out, according to the faculty granted to PREPA by Sections 15(2) (d) of Act 83, after approval by PREPA's Governing Board.

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

1. Authorize the Fifth Amendment of Contract 2019-P00001 between PREPA and Willis Towers Watson CAC, Inc., to extend its term from July 1st, 2020 through June 30, 2021, and to increase its amount by \$1,084,419, for the services to be performed during Fiscal Year 2020-2021.
2. Authorize the Chief Executive Officer to execute the Fifth Amendment to Contract 2019-P00001. All the remaining terms of the Contract shall remain in full force and effect.

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



Eduardo Arosemena-Muñoz
Secretary of the Board