

GOVERNMENT OF PUERTO RICO  
PUERTO RICO HOUSING DEPARTMENT  
PROFESSIONAL SERVICES AGREEMENT



**TO APPEAR**

**AS THE FIRST PART:** Puerto Rico Housing Department, an executive department of the Commonwealth of Puerto Rico, created by Act 97 of June 10, 1972, as amended, represented by its Secretary **Fernando Arturo Gil Enseñat**, of legal age, married, lawyer and resident of Guaynabo, Puerto Rico, hereinafter **PRHD**.

**AS THE SECOND PART:** **HORNE, LLP**, represented by Neil Forbes, of legal age, married, and resident of Mississippi, United States of America hereinafter **CONTRACTOR**.

**EXPOSE**

**WHEREAS**, the **DEPARTMENT**, in its desire to comply with federal and local laws and regulations, the **DEPARTMENT** sought proposals from qualified firms interested in providing the professional services.

**WHEREAS**, How it is provided in H.R. 5278, Puerto Rico Oversight, Management and Economic Stability Act Of 2016 (PROMESA):

**SEC. 406. PURCHASES BY TERRITORY GOVERNMENTS:**

"The text of section 1469e of title 48, United States Code, is deleted in its entirety and replaced with "The Governments of the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the United States Virgin Islands are authorized to make purchases through the General Services Administration."

**WHEREAS**, and in consideration of the mutual covenants contained herein, the parties agree as follows:

**Work Description:** The **CONTRACTOR** will provide **PRHD** the following services:

1. Financial Management and Grant Compliance Certification
2. Completion and Submission of Action Plan, including development of unmet needs assessment and citizen participation plan

*Handwritten initials and date: "DUE" and "2018"*

3. Assistance with initial administrative functions to receive CDBG-DR grant \_\_\_\_\_

**Term of the Agreement:** The **CONTRACTOR** will perform the Services from the date the contract is sign until **June 30, 2018**. The **CONTRACTOR** must maintain adequate insurance coverage as required by the **DEPARTMENT**. \_\_\_\_\_

**Staffing:** The **CONTRACTOR** will provide the necessary professional and technical staff to provide appropriate services. \_\_\_\_\_

**Payment:** The **DEPARTMENT** will pay the **CONTRACTOR** the services rendered under this Agreement, at a rate of **\$308.32 per hour/ Principal, \$274.47 per hour/ Director, \$216.95 per hour/ Manager, \$194.32 per hour/ Supervisor, \$159.95 per hour/ Senior Associate, \$148.72 per hour/ Associate, \$131.50 per hour/ Senior Accounting Technician, \$103.05 per hour/ Accounting Technician, \$51.09 per hour/ Senior Administrative Assistant**, as arranged in the U. S. General Services Administration, Contract Number GS-23F-0037W, and a maximum under the contract of **\$750,000.00** payable from Account Number **COCC050-4590.00**. \_\_\_\_\_

The **CONTRACTOR** will submit a monthly invoice to the **DEPARTMENT**. Each invoice will be accompanied by a progress report for the period covered by the invoice. Each invoice will include the following information: dates covered by the invoice (which should be the same of the progress report), professional position, rate per hour professional position, and narrative of the work performed. The **DEPARTMENT** retains the right to reject the payment of invoices if the **DEPARTMENT** is not in agreement with it for the percentage of work complete, or reasonably believes that the work does not conform to the specific deliverables/requirements. Invoices or an accompanying letter shall be certified and signed by an authorized representative of **CONTRACTOR** and shall include the following clause: \_\_\_\_\_

"We certify under penalty of absolute nullity that no public servant of the Department of Housing, its subsidiaries or affiliates, will derive or obtain any benefit of any kind from the contractual relationship which is the basis of this invoice. If such benefit or profit exists, the required waiver has been obtained prior to entering into the Agreement. The only consideration to be received in exchange for the delivery of goods or for services provided is the agreed-upon price that has been negotiated with an authorized representative from the Department".

The total amount shown on this invoice is true and correct. The disposition works have been realized, the products have been delivered, the services have been rendered, and no payment has been received." \_\_\_\_\_

The **DEPARTMENT** shall only pay for work contemplated in the Proposal and this agreement. At the presentation of the invoice the **DEPARTMENT** will approve and process the payment. -

**Ownership and use of documents:** With the exception of Contractor's working documents, the Contractor acknowledges the **DEPARTMENT** ownership of all information, drafts, documents, reports, papers and other materials developed and prepared by the Contractor, its agents or representatives, for purposes of performing key obligations hereunder. In the event of any termination, the Contractor shall deliver such information, drafts, documents reports, papers and other materials to the **DEPARTMENT**, in document form or as computer program data, and the Contractor recognizes the **DEPARTMENT's** right to request such documentation or computer program data and if the Contractor fails to deliver said information, the **DEPARTMENT** may seek a judicial order to enforce its rights. \_\_\_\_\_

Proof of payment on any authorized expenditures incurred on Contractor's behalf shall be made available to the Contractor. Contractor agrees to maintain accurate records and files of all contract documents, correspondence, book estimates, bills and other information related to the Contractor account. These documents shall be open for **DEPARTMENT** examination at all reasonable times. \_\_\_\_\_

**Non-disclosure and confidentiality:** \_\_\_\_\_

- a) **Confidential Information:** (Definition): The term "confidential information" as used throughout this Section, means any information concerning the **DEPARTMENT** operations and that of its Contractors (e.g., the projects, computer processing systems, object and source codes and other **DEPARTMENT** business and financial affairs). The term "Confidential Information" shall also be deemed to include all notes, analysis, compilation, studies and interpretation or other documents prepared by the Contractor, its agents or representatives, in connection with the **DEPARTMENT** operations. \_\_\_\_\_
- b) **Non-Disclosure:** **CONTRACTOR** agrees to take all reasonable steps or measures to keep confidential all Confidential Information and will not, at any point in time, present or future without the **DEPARTMENT** express written authorization, signed by the

Administrator of the **DEPARTMENT**, use or sell, market or disclose any Confidential Information to any third party, firm, corporation, or association for any purpose whatsoever. **CONTRACTOR** further agrees that, except as they relate to the normal course of the service, the **CONTRACTOR** will not make copies of the Confidential Information except upon the **DEPARTMENT** express written authorization, signed by an authorized representative of the **DEPARTMENT**, and will not remove any copy or sample of Confidential Information from the **DEPARTMENT**. **CONTRACTOR** retains the right to control its work papers subject to these confidentiality provisions.-----

- c) **Return Documents:** Upon receipt of a written request from the **DEPARTMENT**, the Contractor will return to the **DEPARTMENT** all copies or samples of Confidential Information which, at the time of the notice, are in Contractor's or its agent's possession. Contractor retains the right to retain a set of its work papers. -----
  
- d) **Equitable Relief:** Contractor acknowledges and agrees that a breach of the provisions of subparagraph (b) and (c) of this Section will cause the **DEPARTMENT** to suffer irreparable damage that could not be remedied or compensated adequately by mere monetary retribution. Contractor further agrees that money damages may be a sufficient remedy for any breach of this Section. Accordingly, the Contractor agrees that the **DEPARTMENT** shall have the right to seek injunctive relief and the specific performance of the provisions of this Section to enjoin a breach or attempted breach of the provisions hereof, such right being in addition to any and all other rights and remedies that are available to the **DEPARTMENT** by law, in equity, or otherwise.-----

**Termination:** -----

- a) **Termination for Default:** **DEPARTMENT** may terminate this Agreement by delivering to the Contractor a notice of termination specifying the extent to which the performance of the Services under this agreement are terminated, the reason therefore and the effective date of termination, due to the Contractor's failure to fulfill its obligations or to perform as required hereunder. As of the effective day of termination, the Contractor shall immediately discontinue all services effected and deliver to **DEPARTMENT** all information, notes, drafts, documents, analyses, reports, compilations, studies and other

materials accumulated or generated in performing the work contemplated in this Agreement, whether completed or in process. In the event of termination due to default, Contractor will be paid for services performed up until the effective day termination.——

b) **Termination for Convenience:** DEPARTMENT may terminate this Agreement, in whole or in part, whenever DEPARTMENT determines that such termination is in its best interest. DEPARTMENT may terminate this agreement by delivering to Contractor a fifteen (15) day notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, Contractor shall immediately discontinue all services affected and deliver to DEPARTMENT all information, notes, drafts, documents, analyses, reports, compilations, studies and other materials accumulated or generated in performing the work contemplated in this Agreement, whether completed or in process. In the event of a termination for convenience, DEPARTMENT shall be liable only for payment or services rendered before the effective date of termination.——

c) **Immediate Termination:** In the event the Contractor is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Contractor shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the Contractor of this Agreement or the Contractor of this Agreement has been not compliance, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance, breach or inaccuracy takes place before or after the execution of this Agreement, the DEPARTMENT shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This section will apply in the event of any judgment that may obligate the DEPARTMENT to terminate the Agreement pursuant to Puerto Rico Law Number 458 of 2000, as amended.——

**Amendments to the Work and Additional Work:**——

a) If any amendments or revisions to the Work or any additional Work, other than specified in Section I of this Agreement, is ordered in writing by the DEPARTMENT.——

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**Notices:** \_\_\_\_\_

All notices required or permitted to be given under the Agreement will be in writing and will be deemed given when delivered by hand or be sent by registered or certified mail, return receipt requested, to the following address: **DEPARTMENT:** Fernando Gil Enseñat, PO Box 21365, San Juan, Puerto Rico 00928-1365; **CONTRACTOR:** HORNE, LLP PO Box 9022946 San Juan, PR 00902-2946. \_\_\_\_\_

**Independent Contractor:** \_\_\_\_\_

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Contractor remains an independent contractor with respect to the services to be performed under this Agreement. **DEPARTMENT** shall be exempt from payment of all unemployment compensation, FICA, retirement, life and medical insurance and Worker's Compensation Insurance and/or other employee benefits. \_\_\_\_\_

The **CONTRACTOR** will be solely and entirely responsible for its acts and for the acts of its agents and/or consultants during the performance of this Agreement. \_\_\_\_\_

If the **CONTRACTOR** needs to perform a contractual agreement with a third party to fulfill this engagement, it will request the **DEPARTMENT** approval in writing. \_\_\_\_\_

**Conflict of Interest:** the **CONTRACTOR** certifies that it nor any of its members presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any manner or degree with the performance of its service. The **CONTRACTOR** certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of the **DEPARTMENT**. \_\_\_\_\_

The **CONTRACTOR** in the exercise of its management functions under this Contract has a duty of complete loyalty to the **DEPARTMENT**, which includes an obligation not to have any interests, which are adverse to the interest of the **DEPARTMENT**. "Adverse interests" includes the representation of clients that have or could have interests in conflict with those of the **DEPARTMENT**. This duty also includes a continuous obligation to disclose to the **DEPARTMENT** all circumstances of its relations with clients and third parties and any interests existing at the moment this agreement is signed or during its terms that could be viewed as adverse by the **DEPARTMENT**. The **CONTRACTOR** will be deemed to represent conflicting interests when for the benefit of a client it is the **CONTRACTOR** duty to promote something

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which the **CONTRACTOR** should oppose in the performance of its obligations with another former, present or potential client. In addition, the **CONTRACTOR** would be deemed to have a conflict of interest when its conduct is described as a conflict of interest under the rules of ethics of profession or industry of **THE CONTRACTOR**, or under the law and regulations of the Government of Puerto Rico. If the **CONTRACTOR** is a corporation or partnership, it will be in violation of this provision if any of the **CONTRACTOR** recognizes the authority of the Secretary of the **DEPARTMENT** with respect to enforcement of the foregoing provisions. Should the Secretary believe that a conflict of interest exists or could exist with respect to the **CONTRACTOR**; the **DEPARTMENT** should notify the **CONTRACTOR** in writing of his finding and of his intention to terminate the Contract within 15 days. Within such term, the **CONTRACTOR** may request a meeting with the Secretary to present its arguments with respect to the determination that a conflict of interest exists and if such a meeting is not requested within the term specified or if the controversy is not otherwise satisfactorily resolved during such a meeting the Contract will terminate as provides in the Termination Clause in this Agreement. \_\_\_\_\_

**Third Parties:** Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of a third party against either **DEPARTMENT** or the Contractor. –

**Insurances:** \_\_\_\_\_

The **CONTRACTOR** will indemnify, defend and hold harmless the **DEPARTMENT**, its agents and employees, from and against any and all claims, actions, suits, charges and judgments arising from or related to the negligence, fraud or willful misconduct of the **CONTRACTOR** in the performance of the services called for in this Agreement. The failure of **CONTRACTOR** to obtain, maintain, or pay for any insurance coverage as necessary to insure its obligations under this Agreement and/or the failure of **CONTRACTOR's** insurance carrier to provide insurance coverage will not relieve **CONTRACTOR** of its indemnification obligations. \_\_\_\_\_

In no event will the **DEPARTMENT** be liable for any indirect, incidental, special or consequential damages, or damages for loss of profits, revenue, data or use, incurred by either party or any third party, whether in an action in contract or tort, even if the other party or any person has been advised of the possibility of such damages. \_\_\_\_\_

1. **General Requirements:** The insurance required for this Agreement shall be written for not less than the limits of liability specified below or required by law, whichever coverage is greater. Coverage, whether written on an occurrence or claims-made basis, will be maintained without interruption from date of the commencement of Work under the

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Agreement until the date of final payment and termination of any coverage required to be maintained after final payment, or as otherwise provided herein. \_\_\_\_\_

2. **Types of Coverage:** The Contractor shall keep in force and effect from the period from the date of the Agreement and ending at completion of all work to be provided hereunder, insurance policies protecting **DEPARTMENT** against claims for: \_\_\_\_\_

- i. Comprehensive General Liability Insurance with the limits of liability for bodily injury and/or death of no less than \$1,000,000.00 for bodily injury and/or arising out of any one occurrence and \$2,000,000.00 general aggregate. The limits of liability for property damage shall not be less than \$1,000,000.00 for each occurrence and \$1,000,000.00 in the aggregate. The **DEPARTMENT** and the Government of Puerto Rico will be named as additional insureds on the insurance policy. The insurance will include a hold harmless, additional insured, waiver of subrogation, and cancellation clause in favor of the **DEPARTMENT** and the Government of Puerto Rico. \_\_\_\_\_
- ii. **HOLD HARMLESS CLAUSE:** It is hereby understood and agreed that the **CONTRACTOR** will defend, indemnify, and hold harmless **THE GOVERNMENT OF PUERTO RICO AND THE PUERTO RICO HOUSING DEPARTMENT** against any and all claims, injuries, damages, losses, or suits, including attorney fees, arising out of or resulting from the acts, errors, or omissions of the **CONTRACTOR** in the performance of this agreement, except for the injuries and damages caused by the sole negligence of **THE GOVERNMENT OF PUERTO RICO AND THE PUERTO RICO HOUSING DEPARTMENT**. \_\_\_\_\_
- iii. Professional Liability - \$1,000,000.00 \_\_\_\_\_

**Taxes:** \_\_\_\_\_

- a) The **CONTRACTOR** hereby certifies to the **DEPARTMENT** that its income tax returns for the preceding five (5) years have been filed and there are no unpaid items in connection therewith, or in the event any taxes remain unpaid, that it has subscribed a payment plan for unpaid taxes which terms and payments are being complied with, or to the extent applicable has not been subject to taxation in the Government of Puerto Rico for the last five (5) years. The Contractor also certifies, that at the moment of subscribing this Agreement, does not owe any income tax, property taxes, tariff charges, or any other assessments. The Contractor shall assume full responsibility for the payment of all federal, state and local taxes or contributions imposed or required hereunder. \_\_\_\_\_
- b) The **CONTRACTOR** hereby certifies to **DEPARTMENT** that at the moment of subscribing this contract, has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or



that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The Contractor accepts and acknowledge its responsibility for requiring and obtaining a similar warranty and certification from each and every contractor and subcontractor whose services the Contractor has secured in connection with the Works/Services to be rendered under this Agreement and shall forward evidence to **DEPARTMENT** as to its compliance with this Agreement.-----

- c) **Social Security and Income Tax Retentions:** The **CONTRACTOR** will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Agreement. -----
- d) **Municipal Tax Collection Center (CRIM):** The Contractor certifies and guarantees that at the signing of this Agreement that has no current debt with regards to property taxes that may be registered with the Municipal Tax Collection Center (CRIM). The Contractor further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Contractor shall present, to the satisfaction of the **DEPARTMENT**, the necessary documentation to substantiate the same. The Contractor will be given a specific amount of time by the **DEPARTMENT** to produce said documents. Throughout the course of this Agreement, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico with regards to its property taxes.-----
- e) **Government of Puerto Rico Agency for Collection of Child Support (ASUME):** The Contractor certifies and guarantees that at the signing of this Agreement that its Partners have no current debt with regards to child support payments that may be registered with the Government of Puerto Rico Agency for the Collection of Child Support (ASUME). The Contractor further certifies that its Partners are current with the payment of any and all child support obligations that are or were registered with the Agency for the Collection of Child Support. The Contractor shall present, to the satisfaction of the **DEPARTMENT**, the necessary documentation to substantiate the same. The Contractor will be given a specific amount of time by the **DEPARTMENT** to produce said documents. Throughout the course of this Agreement, the Contractor agrees its Partners will pay and/or to remain current with any child support payments obligations, including the repayment of any child support payment that may be in arrears, agreed to by its Partners and the Agency for the Collection of Child Support.-----

- f) **Compliance with Act No. 12:** The Contractor hereby certifies that in signing this Agreement it is in compliance with Act 12 of July 24, 1985, as amended, known as the Ethics on Government's Act of Puerto Rico which in connection with the possibility of a conflict of interest, stipulates that, no employee or executive of the Supplier, not any member of his/her immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the Services to be rendered under this Agreement, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government of Puerto Rico. \_\_\_\_\_
- g) **Consequences of Non-Compliance:** The Contractor expressly agrees that the conditions outlined throughout this Section are essential requirements of this Agreement; thus, should any one of these representations, warrants, and certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for **DEPARTMENT** to render this Agreement null and void and the Contractor reimburse to **DEPARTMENT** all money received under this Agreement. \_\_\_\_\_
- h) The Contractor certifies that at the time of execution of this Agreement has not been convicted, not has admitted capability, or has knowledge that it is been investigated as part of a criminal or civil process in either federal or state courts for felonies related to the national or public funds or property. The Contractor expressly acknowledges that this certification is an essential condition of this Agreement, and that if it is proved false, in whole or in part, it shall be grounds to terminate this Agreement immediately without limitations of any other rights herein establish and will have to reimburse the amount earned to the date. The Contractor accepts the continuing nature of this obligation through the terms of this Agreement. \_\_\_\_\_
- i) **Failure to Comply:** Failure to comply with any of the above referenced obligations will endure, if the **DEPARTMENT** so chooses, to terminate this Agreement and retain any and all sums owed or pending disbursement in order to comply with the above referenced tax obligations. \_\_\_\_\_

**Entire Agreement:** This Agreement is the entire and integrated agreement between the **DEPARTMENT** and the **CONTRACTOR** and supersede all prior negotiations, representations, agreements and/or understandings of any kind. This Agreement may be amended only by written document signed by both **DEPARTMENT** and the Contractor. \_\_\_\_\_

**Modification of Agreement:** Any modification of this agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if written and signed by both parties, and its authorized representatives. \_\_\_\_\_

**Binding Effect:** This Agreement shall be binding upon and shall inure to the benefit of the DEPARTMENT and the CONTRACTOR, their successors. \_\_\_\_\_

**Assignment of Rights:** The rights of each party hereunder are personal to that party and may not be assigned or otherwise transferred to any other person, firm, corporation, or other entity without the prior and written consent of the DEPARTMENT. \_\_\_\_\_

**Non-Waiver:** The failure or delay of either party to insist upon the performance of and/or the compliance with any of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions or the right to enforce compliance which such terms and conditions. \_\_\_\_\_

**Governing Law: Jurisdiction:** This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Government of Puerto Rico and any applicable federal laws and regulations. The parties further agree to assert any claims or causes of action that may arise of this Agreement in the Puerto Rico Courts of First Instance, San Juan, Puerto Rico, and Judicial Center. \_\_\_\_\_

**Severalty:** If any provision of this Agreement shall operate or would prospectively operate to invalidate the Agreement in whole or in part, then such provision only shall be deemed severed and the remainder of the Agreement shall remain operative and in full effect. \_\_\_\_\_

**Counterparts:** This Agreement may be executed in any number of counterparts, each of whom shall be deemed to an original, however, all of which together shall constitute one and the same instrument. \_\_\_\_\_

**Equal Opportunity:** the CONTRACTOR agrees that during the time in which it will provide services to the DEPARTMENT, it will not discriminate on the basis of race, color, age, sex, birth of origin, social condition, political affiliation, religious ideas and/or handicapped condition. \_\_\_\_\_

**Ethics Clause:** No employee or officer of the DEPARTMENT as well as any member of their families can have any interest in the earnings or benefits from this contract, according with Law 84, June 18, 2002. Contractor acknowledges receipt of the Ethics Code for Contractor, Suppliers and Applicants of Economic Incentives of the Executive Agencies of the Government of Puerto Rico known in Spanish as "Código de Ética para Contratistas, Suplidores y Solicitantes de Incentivos Económicos de las Agencias Ejecutivas del Gobierno de Puerto

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Rico". I do here by pledge to execute and comply with all the obligations and responsibilities establish in the referred Code of Ethics. \_\_\_\_\_

**Interest of Members of Congress:** Because of contract agreements between the **DEPARTMENT**, no member of and delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract agreement or to any benefit to arise from it. \_\_\_\_\_

**Convict on Clause:** the **CONTRACTOR** certifies that it has not been convicted or accused of felony in the public service or involve federal or local fund. \_\_\_\_\_

**Energy Policy and Conservation Act:** the **CONTRACTOR** will comply with the mandatory standards and policies relating to energy efficiency that are contained it the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (PL 95-163 codified at 42 USCA & 6321 et.seq.).\_\_\_\_\_

**Headings:** The titles to the paragraphs of this Agreement are solely for reference purposes and the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement. \_\_\_\_\_

**Peer Review Program:** the **CONTRACTOR** certify and guarantee that at the moment of subscribing this agreement, the quality control for accounting and auditing practice have been reviewed in conformity with standard for Peer Review Promulgated by the Peer Review Committee. \_\_\_\_\_

**Professional services income taxes withholdings:** The Section 143C of the Income Tax Act of 1954, as amended (the law), directs that the government of Puerto Rico and any natural or legal person, that in the exercise of an activity of industry or business or for production of income in Puerto Rico, for payments performed after June 30, 1995 to a person for personal services rendered will be subject to a 7% withholding in the origin, except for the exemptions provided by law. The additional contributions, if some, that by virtue of this contract should relate to the **CONTRACTOR**, should be the exclusive responsibility of the **CONTRACTOR** and the lack of fulfillment will be a reasonable cause for the rescission of this contract. The **DEPARTMENT** will retain seven (7%) of income tax contributions in accordance with the Puerto Rico Tax Code, as amended, unless the Contractor renders a waiver from the Treasury Department in which case the retained amount will be one indicated in said waiver. \_\_\_\_\_

**Clause of Governmental Ethics Certification of Absence of Conflict of Interests:**

The **CONTRACTOR** certifies that: \_\_\_\_\_

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- 1) Nobody in public employment of this executive agency has monetary interest in this contract, and has not had in the last four years directly or indirectly monetary interest in the **CONTRACTOR** business. \_\_\_\_\_
  - 2) Nobody in public employment of this executive agency has solicited to me or accepted, directly or indirectly, for him (her), for any member of his family unit or for any other person, gifts, allowances, favors, services, donations loans or any other thing of monetary value. \_\_\_\_\_
  - 3) Nobody in public employment related to this transaction, asked for or accepted any good of economic value, from any person of my organization as payment for the duties and responsibilities of his employment. \_\_\_\_\_
  - 4) Nobody in public employment solicited to me, directly or indirectly, for him (her), any member of his family unit, neither for any other person, business or organization, any good of economic value, including gifts, loans, promises, favors or services in exchange for his obligations and performance of said public employment, to influence or favor me or my organization. \_\_\_\_\_
  - 5) I do not have kinship relationship, within the fourth, degree of consanguinity and second by affinity, with nobody in public employment that has faculty to influence and to participate in the institutional of this executive agency. \_\_\_\_\_
- **Law 48-2013:** According to Law 48-2013, every professional service contract will have a special fee of **1.5%** of the contract total value. This fee will go to the General Fund of Puerto Rico Commonwealth Treasury. **The CONTRACTOR will prepare a Certification that includes existing government contracts and amounts in order to comply with the provisions of Law No. 48-2013, cited above.**\_\_\_\_\_
  - Law 103-2008, as amended, provides in its Article 20 that it will be the policy of the Government of Puerto Rico to encourage the use of technology by encouraging that any disbursement of public funds be made by electronic methods. As part of this initiative, it is required that the suppliers of the Government of Puerto Rico register in the Electronic Payment Portal to Suppliers in order to receive their payments electronically. You must access "[www.hacienda.pr.gov](http://www.hacienda.pr.gov) ", by clicking on the section of Hacienda Virtual and selecting the option of Electronic Payment Registration of Suppliers. You must provide your supplier number, a canceled check or bank account verification letter from the financial institution where you own the bank account. The portal will allow you to register

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a bank account in which the disbursement will be made by electronic transfer. This registration process in the Electronic Payment Portal is compulsory. The suppliers will register all their invoices for payment issued with dates of March 1, 2018 onwards using "www.hacienda.pr.gov/sobre-hacienda/hacienda-virtual", according to Circular Letter Number 1300-22-18 of the Department of Treasury of Puerto Rico. \_\_\_\_\_

- The parties recognize the need to speed up communication and processes among consultants, suppliers of goods and services, and agencies of the Government of Puerto Rico. In addition, they accept the duty to protect and guard the record of official activities and notifications between them, without jeopardizing the Government's information systems and ensuring their safety. Therefore, they agree that, from now on, any natural or legal person who provides services to the Government, will be obliged to request and use the email account provided by the Government with the written and official communications of the suppliers with any agency with which a contract exists. This will be the only authorized method of communication and notification, for electronic communications, as long as the contract is in force. The email account provided will serve to carry out any official communication with the Government, using the domain @ Vendors.PR. Gov. These charges will be activated when perfecting the contract, will remain active during the contractual relationship and will be deactivated at the expiration of the contract. In addition, they may be reactivated, with the renewal of contracts, after the corresponding notification to the OGP, by the contracting agency. \_\_\_\_\_
- Both parties acknowledge and agree that contracted services may be provided to any entity of the Executive Branch with which the contracting entity makes an interagency agreement or by direct provision of the Government Secretary. These services will be performed under the same terms and conditions in terms of work hours and compensation set forth in this contract. For purposes of this clause, the term "Executive Branch" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities, corporations, and the Governor's Office. \_\_\_\_\_
- The Government Secretary will have the power to terminate this contract at any time. –
- The parties to this contract agree that its effective date will be subject to the due registration and remittance to the Office of the Comptroller of Puerto Rico. No rendering or consideration subject matter of this contract will be required before its registration at the Office of the Comptroller of Puerto Rico pursuant to Law No. 18 of October 30, 1975, as amended by Law No. 127, May 31, 2004. The contracted party will be responsible

for ensuring that this contract has been registered before the rendering of services by requesting a copy of the registered contract with its proper number and date of registry. No services under this contract will continue to be delivered after its effective date unless at the expiration date, an amendment signed by both parties and duly registered exists. No services performed in violation of this provision will be paid. The party violating this clause will be doing so without any legal authority, this action constituting an **ULTRAVIRES**. \_\_\_\_\_

**CONDITIONS**

**IN WITNESS THEREOF**, the parties hereto execute this Agreement in San Juan, Puerto Rico, in April 9<sup>th</sup> 2018.

**PUERTO RICO HOUSING DEPARTMENT**



\_\_\_\_\_  
**Fernando Arturo Gil Enseñat**  
Secretary  
P.O. Box 21365  
San Juan, Puerto Rico 00928-1365  
Soc Seg 660-55-8579

**HORNE, LLP**



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**Neil Forbes**  
P.O. Box 9022946  
San Juan, PR 00902-2946  
Soc Seg 20-194-1244

GOVERNMENT OF PUERTO RICO  
PUERTO RICO HOUSING DEPARTMENT  
PROFESSIONAL SERVICES AGREEMENT



AMENDMENT

-----TO APPEAR-----

**AS THE FIRST PART: Puerto Rico Housing Department**, an executive department of the Government of Puerto Rico, created by Act 97 of June 10, 1972, as amended, represented by its Secretary **Fernando Arturo Gil Enseñat**, of legal age, married, lawyer and resident of Guaynabo, Puerto Rico, hereinafter **PRHD**.-----

**AS THE SECOND PART: HORNE, LLP**, represented by **Neil Forbes**, of legal age, married, executive, and resident of Mississippi, United States of America hereinafter **CONTRACTOR**.-----

-----EXPOSE-----

**FIRST:** Both parties executed a contract that is described in the following way: -----

- a) Contract: **Professional Services** -----
- b) Date: **April 9, 2018** -----
- c) Contract Number: **2018-000071** -----
- d) Original Contract Amount: **\$750,000.00** -----
- e) Budget Account: **COCC050-4590.00** -----

**SECOND:** The parties have agreed to amend the present contract to incorporate the following clauses: -----

A.-The **CONTRACTOR** understands that a contract award must not be made to parties listed on the government wide exclusions in the **System for Award Management (SAM)**, in accordance with the OMB guidelines at 2 CFR 180 that

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implement Executive Orders 12549 and 12689, "Debarment and Suspension". By signing this Agreement, the **CONTRACTOR** certifies as follows: -----

The certification in this clause is a material representation of fact relied upon by **PRHD**. If it is later determined that the **CONTRACTOR** knowingly rendered an erroneous certification, in addition to remedies available to **PRHD**, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The **CONTRACTOR** further agrees to include a provision requiring such compliance in its lower tier covered transactions. -----

B.-The **CONTRACTOR** will comply with the Anti-Lobbying Amendment (31 U.S.C. 1352), the New Restrictions on Lobbying, and has signed and attached to this Agreement the **BYRD ANTI-LOBBYING AMENDMENT CERTIFICATION**, and, if applicable, the **DISCLOSURE OF LOBBYING ACTIVITIES (FORM SF-LLL)**, and annually will sign and submit this certificate, if applicable, **FORM SF-LLL** to **PRHD**.

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**THIRD:** No provision or consideration of this amendment may be required until the same has been filed for record in the Office of the Comptroller, in accordance with the provisions of the Law Number 18 of October 30, 1975, as amended. -----

**FOURTH:** This amendment shall be effective from the date it is signed until **June 30, 2018**. -----

**FIFTH:** The other clauses of the present contract will remain unchanged and in full force and effect. -----

**SIXTH:** The parties approve this amendment and sign it in San Juan, Puerto Rico, today June 29, 2018. -----

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PRHD



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**Lcdo. Fernando Arturo Gil Enseñat**  
**Secretary**  
PO Box 21365  
San Juan, Puerto Rico 00928-1365  
Soc. Sec. 660-55-8579

CONTRACTOR



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**HORNE, LLP**  
**S. Neil Forbes**  
PO Box 9022946  
San Juan, PR 00902-2946  
Soc Seg. 20-194-1244

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GOVERNMENT OF PUERTO RICO  
PUERTO RICO HOUSING DEPARTMENT  
PROFESSIONAL SERVICES AGREEMENT

AMENDMENT

-----**TO APPEAR**-----

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-----**EXPOSE**-----

**FIRST:** Both parties executed a contract that is described in the following way: ---

- a) Contract: **Professional Services** -----
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- c) Contract Number: **2018-000071** -----
- d) Original Contract Amount: **\$750,000.00** -----
- e) Budget Account: **COCC050-4590.00** -----

**SECOND:** The parties have agreed to amend the present contract for the following:

Extend the contractual term until **September 30, 2018**. -----

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**THIRD:** No provision or consideration of this amendment may be required until the same has been filed for record in the Office of the Comptroller, in accordance with the provisions of the Law Number 18 of October 30, 1975, as amended. -----

**FOURTH:** This amendment shall be effective from the date it is signed until **September 30, 2018.** -----

**FIFTH:** The other clauses of the present contract will remain unchanged and in full force and effect. -----

**SIXTH:** The parties approve this amendment and sign it in San Juan, Puerto Rico, today June 29, 2018. -----

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**PRHD**



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**Lcdo. Fernando Arturo Gil Enseñat**  
**Secretary**  
PO Box 21365  
San Juan, Puerto Rico 00928-1365  
Soc. Sec. 660-55-8579

**CONTRACTOR**



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**HORNE, LLP**  
**S. Neil Forbes**  
PO Box 9022946  
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