

**COMMONWEALTH OF PUERTO RICO**

**PUERTO RICO FEDERAL AFFAIRS ADMINISTRATION  
PROFESSIONAL SERVICES CONTRACT**

**CONTRACT NUMBER 2020-CR0001  
ACCOUNT NUMBER: 111-0290000-1366-007-2020**

**GOVERNMENT OFFICIAL: Jennifer Gonzalez Colon, Resident Commissioner of Puerto Rico**

**DATE: 20 August 2019  
September**

**APPEARING**

**FOR THE FIRST PARTY:** the Puerto Rico Federal Affairs Administration, known by its acronym in English as PRFAA, government agency of Puerto Rico created under Act. No. 77 of June 19, 1979, as amended, herein represented by its Executive Director, Jennifer Storipan, of legal age, and resident of Washington, D.C., hereinafter referred to as "THE AGENCY".

**FOR THE SECONDN PARTY:** Milagros Gavilán Pérez, married, of legal age and resident of McLean, Virginia, hereinafter referred to as "THE CONSULTANT",

The appearing parties reaffirmed their personal circumstances and claim to have the power and authority necessary to enter into this Agreement and in the character that do are willing to show where and when necessary, so in such free virtue and voluntarily:

**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

**WHEREAS:** THE RESIDENT COMMISSIONER needs the services and professional advice on economic development, government affairs, legislative topics (including the congressional caucus that the Resident Commissioner attends).

**WHEREAS:** THE RESIDENT COMMISSIONER does not have in his Office the assignment of positions whose classification fits the form and manner of the present hiring nor does it have enough personnel to perform the services under this contract.

**WHEREAS:** THE CONSULTANT has the capacity, preparation and experience necessary to offer the advisory services described above, which she undertakes to provide in this Contract;


**WHEREAS:** Law 77 of June 18, 1979, Article 8 (b) provides to be allocated in the annual

budget of the Puerto Rico Federal Affairs Administration, a budgetary provision of funds necessary for the performance of the functions of Commissioner, in and out of Puerto Rico, pursuant to Act No. with. 213 12 May 1942, as amended (23 LPRA §§ 101 et seq.). This annual amount is to be disbursed by the Special Disbursing Officer Administration at the request of the commissioner, which may be used for payment of any official expenditure under the provisions of Act No. with. 230 of July 23, 1974 (3 LPRA secs. 283 to 283p) and the regulations in force in Puerto Rico.

**WHEREAS:** Law 77 of June 19, 1979, as amended, in its Article 5 (g) establishes that among the duties, powers and powers of the Executive Director of THE AGENCY, is to pay and obtain through contracts, charged to the correspondent assigned funds, the professional the services THE AGENCY needs to perform its functions.

For all above-mentioned reasons, both parties recognize they have the necessary legal capacity to execute this contract and formalize it according to the following:

#### **TERMS AND CONDITIONS**



**FIRST:** Services to be provided: THE AGENCY hires THE CONSULTANT, to render services to the OFFICE OF THE RESIDENT COMMISSIONER. THE CONSULTANT undertakes to provide the following professional services to the OFFICE OF THE RESIDENT COMMISSIONER:


1. Provide advice to the RESIDENT COMMISSIONER in aspects of federal public policy.
2. Provide advice to the RESIDENT COMMISSIONER in matters of economic development, government relations and federal legislative matters.
3. Attend with the RESIDENT COMMISSIONER and / or on behalf of THE RESIDENT COMMISSIONER, if required, to meetings, official events and activities.
4. Any other function delegated to it by THE RESIDENT COMMISSIONER.

**SECOND:** Report and Invoice: THE CONSULTANT will render a monthly report to the OFFICE OF THE RESIDENT COMMISSIONER duly certified under her signature in which she will state the dates, hours and nature of the professional services rendered. Said report must be accompanied by an invoice duly certified under the signature of THE CONSULTANT indicating

that the services were provided and have not been paid and endorsed by the signature of THE RESIDENT COMMISSIONER and THE AGENCY. Invoices submitted for payment must be submitted no later than the first ten (10) days of the month after the services were rendered.

THE CONSULTANT will keep all reports, invoices and other documents related to its services to be examined or copied by the Office of the Comptroller of Puerto Rico in its interventions. Said documents must be kept for a period of six (6) years or until an intervention is made by the Office of the Comptroller, whichever comes first.

**THIRD: Fees for the Services:** The total amount to be paid by THE AGENCY in relation to the services provided under this contract, excluding expenses, shall not exceed the amount of thirty-six thousand dollars (\$36,000.00). However, the maximum monthly amount to be invoiced by THE CONSULTANT, excluding expenses, shall not exceed three thousand six hundred dollars (\$3,600.00) for each calendar month. The hourly rate for the services to be offered by THE CONSULTANT is established at a rate of one hundred dollars (\$100.00) per hour, up to a maximum of 36 hours per month.

 The bill must be certified as correct and outstanding by THE CONSULTANT. THE CONSULTANT certifies, understands and acknowledges that a monthly submission of an invoice certifying the correctness of the billed amount will be required, stating that the amount billed is due in full and no compensation has been received for it. For this purpose, THE CONSULTANT shall be obliged to include in each of the submitted invoices for services rendered, a certification indicating the following:

*Under penalty of nullity, I certify that no officer or public employee of the Puerto Rico Federal Affairs Administration or of the Commonwealth of Puerto Rico is party or has any interest in the earnings or benefits product of the Contract object of this invoice and, if a party does have interest in the earnings or benefits of the Contract, a prior waiver has been obtained. The only consideration given for the services object of the Contract is the payment agreed upon with the authorized representative of the Puerto Rico Federal Affairs Administration. The amount of this invoice is fair, true and correct, the services have been rendered and they have not been paid for.*

**FOURTH: Budget Item:** The payments to be made to THE CONSULTANT for the services object of this contract will be charged to THE AGENCY item 111-0290000-1366-081-2018 assigned to the OFFICE OF THE RESIDENT COMMISSIONER of Puerto Rico in

Washington, DC, as stated in current Budget of the Government of the Commonwealth of Puerto Rico.

**FIFTH:** Subject to the third paragraph of this contract, THE AGENCY will reimburse THE CONSULTANT for the expenses incurred by it in official trips and in procedures directly related to its duties in the light of this contract and expressly required and approved by THE OFFICE OF THE RESIDENT COMMISSIONER. (See Exhibit A) The reimbursement will be limited to those expenses incurred by THE CONSULTANT related to air transportation in economy class and accommodation, as well as those incidental expenses that are necessary and reasonable. Incidental expenses that exceed the amount of one hundred fifty dollars (\$ 150.00) per day will not be refundable. Additionally, the request for payment of refunds will be subject to the applicable laws and regulations of the Commonwealth of Puerto Rico that, as well as the additional rules approved by THE AGENCY and the OFFICE OF THE RESIDENT COMMISSIONER to govern the operation of its offices.

**SIXTH:** Amendments in writing: Both parties are duly bound to faithful compliance with this Agreement for all purposes of the law. No agreement or understanding verbally made may form part of this contract. Any changes or substantial modification agreed by the parties concerning the terms and conditions thereof, shall be incorporated by formal amendment during the term of this contract, in accordance with the rules governing contracting with entities of the Government of Puerto Rico and subject to the availability of funds for implementation of the amendment. For the contract amendment to take effectiveness and be enforceable, it will have to be registered in the Office of the Comptroller of Puerto Rico.

#### **GENERAL CONTRACT PROVISIONS**

**SEVENTH:** Subcontracting: THE CONSULTANT must not subcontract part or all the services object of this Contract, without the prior written authorization of THE RESIDENT COMMISSIONER; understanding, that any obligation that is generated by a subcontracting not approved by THE AGENCY, will remain under the exclusive responsibility of THE CONSULTANT.

**EIGHT:** Audit: THE CONSULTANT acknowledges that this professional services contract will be subject to the inspection and audit of the Office of the Comptroller of Puerto Rico, or its authorized representatives.

**NINTH:** Employer by Own Account: THE CONSULTANT, during the term of this

Contract will not accumulate any kind of marginal benefits such as vacation leave, sickness or Christmas Bonus because it is considered an independent contractor. THE AGENCY or OFFICE OF THE RESIDENT COMMISSIONER shall not make any contribution to federal social security, since THE CONSULTANT is considered employed by itself, or independent contractor.

**TENTH:** Contracts with other agencies and conflict of interest: THE CONSULTANT certifies that has no other contract with any agency or instrumentality of the government of Puerto Rico at the time of this contract. In the event that this contract or any other future contract may present a conflict of interest, THE AGENCY must be notified immediately, and, at its sole discretion, THE AGENCY may terminate the contract.

**ELEVENTH:** Certification: THE CONSULTANT certifies not to be retired due to disability and not to be a pensioner from the Retirement Systems of the Governments of the Commonwealth of Puerto Rico.

**TWELFTH:** THE CONSULTANT certifies and ensures that no official or employee of THE AGENCY has a direct or indirect pecuniary interest with this Contract, or participation in the benefits thereof.

**THIRTEENTH:** Prohibition: THE CONSULTANT undertakes not to employ or have contractual relations with any official or employee of THE AGENCY, when the official or employee participates in institutional decisions, or has the power to decide or influence official decisions related to the hired person, business or entity.

**FOURTEENTH:** Duty to Notify: THE CONSULTANT will be responsible for immediately informing THE AGENCY or THE OFFICE OF THE RESIDENT COMMISSIONER about any irregularity beyond its control that prevents complying with the terms of this Contract.


**FIFTEENTH:** Damages: THE CONSULTANT will not be waived of liability for damages caused to THE AGENCY or THE OFFICE OF THE RESIDENT COMMISSIONER and/or to third parties during the presentation of the services covered by this Contract.

**SIXTEENTH:** Contract Resolution: The parties agree that this Professional Services Contract may be terminated, for just cause, by any of the contracting parties before its termination by written notification fifteen (15) days prior to the date of its resolution. Such cancellation must be notified to the other party by certified mail with acknowledgment of receipt. The cancellation of this Professional Services Contract will not affect the right of THE CONSULTANT to receive the payment of fees for services already rendered and not paid under this contract. In accordance with the SIXTH clause of this Contract, THE RESIDENT COMMISSIONER or THE AGENCY

may cancel this Contract immediately, without prior notice, in case of negligence, abandonment of duties, improper conduct or breach of the contract conditions by the contracted party.

However, THE RESIDENT COMMISSIONER or THE AGENCY will terminate this Contract without prior notice if (i) probable cause is found against THE CONSULTANT for any crime or illegal conduct against the public treasury, public faith or public function or those that may constitute fraud, embezzlement or illegal appropriation of public funds listed in Article 3 of Law 458 of December 29, 2000; (ii) when THE RESIDENT COMMISSIONER or THE AGENCY understands that an extraordinary fiscal situation requires an immediate budget cut. In which case, THE RESIDENT COMMISSIONER and THE AGENCY, after reviewing the service invoices provided up to that period, will quickly make arrangements for the payment of any amount due.

THE CONSULTANT agrees that it will not hold the RESIDENT COMMISSIONER or THE AGENCY responsible if the Contract is terminated according to subsection (ii) of this paragraph and will release and exempt THE RESIDENT COMMISSIONER or THE AGENCY from any other obligation and responsibility under this contract.

 **SEVENTEENTH: Severability.** If any word, phrase, sentence, paragraph, subsection, section, clause, topic or part of this contract or its annexes were challenged for any reason before a court and declared unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions and parts of this contract, but its effect will be limited to the word, phrase, sentence, paragraph, subsection, section, clause, topic or part so declared and the nullity or invalidity of any word, phrase, sentence, paragraph, sub section, section, clause, topical or part in any specific case will not affect or impair in any way its application or validity in any other case, except when specifically and expressly invalidated for all cases.

**EIGHTEENTH: Reservation of Law:** The omission or delay by THE AGENCY or THE OFFICE OF THE RESIDENT COMMISSIONER, in making use of any rights that may it have under this Contract, shall not constitute a waiver of such right.

**NINETEENTH: Amendments:** This Contract may only be modified or amended by written agreement between the parties.

**TWENTIETH: Dispensation:** THE CONSULTANT certifies that upon the execution of this Contract no payment or compensation for regular services provided under appointment to another public entity has been received and that it does not occupy any position in Municipal governments or in the Government of the Commonwealth of Puerto Rico, and that a position at the University of Puerto Rico is occupied, certifies that the necessary steps to obtain a dispensation

to be able to enter into this Professional Services Contract have been taken, pursuant to the provisions of Act No. 100 of June 27, 1956 , as amended (18 LPRA, Section 679).

**TWENTY-FIRST: Jurisdiction.** THE CONSULTANT agrees the jurisdiction of the courts and authorities of Puerto Rico, its laws, regulations, ordinances and / or any other provision, is applicable to any agreement that is formalized through the contract. This acceptance is one that is free and voluntarily understanding that, for all legal purposes, THE CONSULTANT has waived its right to use any other forum other than the courts of Puerto Rico.

**TWENTY-SECOND: Standards of Conduct.** THE CONSULTANT understands and recognizes that through this contract agrees to abide by and comply with the provisions of Act. No. 84 of June 18, 2002, known as the Code of Ethics for contractors, service providers and Applicants for Economic Incentives of the Executive Agencies government of Puerto Rico, and the Government Ethics Law, Act 1 of January 3, 2012.

(A) THE CONSULTANT certifies that it is not related to public officials from the Office of the Resident Commissioner or the Agency, having capacity to enter into this contract and if related to a public official of said office, has sought and obtained the applicable waiver prior to awarding the contract.

(B) THE CONSULTANT certifies that it is not a former officer or former employee of the Office of the Resident Commissioner or the Agency with less than two (2) years from the termination in said job or previous employment in that Office.

(C) THE CONSULTANT commits to reporting acts that are in violation of the Code of Ethics for Contractors, Service Providers and Applicants for Economic Incentives of the Executive Agencies of the Government of Puerto Rico, and the Ethics in Government Act or constitute acts involving corruption or crimes against the treasury and public faith on which it has knowledge related to the contract.

(D) THE CONSULTANT will not involve a servant or former public servant of the Office of the Resident Commissioner or the Agency, the Resident Commissioner or other agency or branch of the Government of Puerto Rico in any violation to the provisions of the "Law of Government Ethics of Puerto Rico of 2011" cited above.

THE CONSULTANT certifies that it has a copy of 1- 2012 Act, as amended, known as the Law of Government Ethics of Puerto Rico in 2011.

THE CONSULTANT, with the signature, certifies that has received a copy, understands and undertakes to abide by the provisions established in Act No. 1 of January 3, 2012, as amended,

known as the Government Ethics Law and Act No. 84 of June 18, 2002, as amended, known as the Code of Ethics for Contractors, Suppliers of Goods and Services, and Applicants for Economic Incentives.

THE CONSULTANT accepts the ethical rules of her profession and assumes responsibility of the taken actions.

**TWENTY-THIRD:** All intellectual work carried out by THE CONSULTANT will become property of the OFFICE OF THE RESIDENT COMMISSIONER without any additional payment to the agreed in this contract. Nor will it patent material of any nature originated in the fulfillment of this Contract.

THE CONSULTANT recognizes the obligation to maintain absolute confidentiality regarding the information that comes to its knowledge, in the provision of the services contracted here.

THE CONSULTANT agrees to indemnify THE AGENCY and the Government of Puerto Rico against any legal responsibility or expense incurred, including legal fees and related expenses, as a result of the publication or disclosure of any material or document prepared or advised by THE CONSULTANT, that may result in any claim, including, but not limited to: libel, slander, defamation, invasion of privacy, plagiarism, unfair competition, misappropriation of ideas and copyright infringement.

**TWENTY-FOURTH:** THE CONSULTANT certifies that, when rendering the services under this Contract, it will not discriminate against any employee or contractor based on race, color, sex, national origin, or religious belief, nor will it promote religious or political interests.

The Secretary of the Government of Puerto Rico shall have the power to terminate this contract at any time.

All notification must be sent to the following address:

**THE CONSULTANT**

Milagros Gavilán Pérez  
PO Box 34  
McLean, VA 22101-0034

**OFFICE OF  
RESIDENT COMMISSIONER**

Hon. Jenniffer González Colón  
U.S. House of Representatives  
1529 Longworth HOB  
Washington, DC 20515

**THE AGENCY**

Jennifer M. Storipan  
1100 17th St. NW, Suite 800  
Washington, DC 20036-4635



**TWENTY-SIXTH: Tax on Income, Withholdings and Tax Responsibilities:** Except as provided in the following paragraph, no deductions or deductions will be made to THE CONSULTANT for income tax. THE CONSULTANT will not be held withholding or discounts on their fees for the payment of Federal Social Security. THE CONSULTANT will be responsible for paying: (i) your income tax in accordance with each one of the applicable income tax laws; and (ii) any contribution corresponding to the Social Security Administration.

THE CONSULTANT will be responsible for submitting your tax returns and the necessary payments to the US Internal Revenue Service. UU. and state tax service agencies. THE AGENCY will report the amounts paid to THE CONSULTANT to the relevant tax authorities.

Law number 48 of June 30, 2013 imposes a special tax of 1.5% on all professional services agreements signed with government agencies. Consequently, when concluding this contract, THE CONSULTANT recognizes that THE AGENCY, as required by law, will withhold a special tax of 1.5% of the monthly payments due and payable to THE CONSULTANT.

THE CONSULTANT certifies and guarantees by granting an affidavit (See Exhibit B) for these purposes that, as a resident of the state of Virginia, has not been required to file income tax returns in Puerto Rico for the five (5) tax years prior to the year in which this contract is formalized and certifies, in addition, that it does not owe contributions of any kind to the Department of the Treasury of the Commonwealth of Puerto Rico or is under a payment plan, with whose terms and conditions it is complying. It is expressly recognized that this is an essential condition of this contract, and that if the previous certification is not completely or partially correct, this will be cause for the contracting party to cease it and the contracted party will have to reintegrate to the contracting party any sum of money received under this contract.

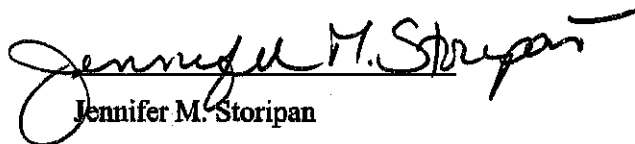
**TWENTY-SEVENTH:** THE CONSULTANT certifies that the payment of taxes on movable and immovable property to the Municipal Revenue Collection Center in Puerto Rico is not applicable; who has no criminal record; and that it is not obliged to satisfy an alimony, or in case of an existing obligation, it is up to date or has a payment plan according to the Child Support Law.

**TWENTY-EIGHTH: Validity:** This Agreement will be valid from the date of its signature until June 30, 2020.

**ACCEPTANCE**

The parties accept this Agreement in all its parts for being faithful and exact to the agreements and wills of the parties.

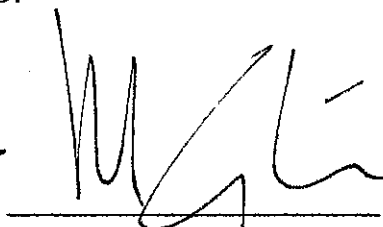
And for the record, the appearing stamped their initials on each of the pages and signed in Washington, DC, today September 20, 2019.



Jennifer M. Storipan

THE AGENCY

Seg. Social Patronal:



Milagros Gavilán Pérez

THE CONSULTANT

Seg. Social:

