

PROFESSIONAL SERVICES AGREEMENT

by and between

THE PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY

and

FTI CONSULTING, INC.

Dated as of June 30, 2021



PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the "Agreement") for financial consulting and advisory services is made and entered into as of this 30th day of June, 2021, by and between **THE PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY**, a public corporation of the Government of Puerto Rico, established and authorized to enter into this Agreement by Act No. 29-2009, as amended, and represented herein by its Deputy Executive Director, Nelson Pérez Méndez, of legal age, attorney, married, and resident of _____ (the "Authority") and **FTI CONSULTING**, a corporation incorporated under the laws of the state of Maryland, USA with its executive headquarters in Washington DC, represented herein by its Senior Managing Director Ellen Smith, of legal age, married, consultant, and resident of _____ (the "Consultant"), and together with the Authority, the "Parties".

RECITALS

WHEREAS, the Authority, by virtue of the powers conferred to it under the Public-Private Partnerships Act, Act No. 29 of June 8, 2009, as amended ("Act 29"), is authorized to engage professional, technical and consulting services that are necessary and convenient to the activities, projects, and operations of the Authority.

WHEREAS, on May 19, 2021, the Consultant submitted to the Authority a proposal for financial advisory and consulting services in connection to certain Puerto Rico Electric Power Authority Public-Private Partnerships Projects (the "Projects"), attached hereto as **Appendix A** and made a part of this Agreement (the "Proposal"). If any part of the Proposal is found to be inconsistent with the terms and conditions set forth herein, the terms and conditions set forth herein shall take precedence over the Proposal and govern the matter in question.

WHEREAS, the Authority is authorized to enter into this Agreement pursuant to Resolution No. 2021-37 approved by the Board of Directors of the Authority.

WHEREAS, after considering the Proposal, the Authority wishes to engage the Consultant to act as financial and consulting advisor to the Authority in relation to the implementation of the Project under consideration of the Authority.

WHEREAS, the Consultant is willing to provide such services.

NOW, THEREFORE, the Authority and the Consultant agree to enter into this Agreement under the following:



TERMS AND CONDITIONS

ARTICLE I PURPOSE OF AGREEMENT; TERM

Section 1.1 Purpose of Agreement. The Authority engages the Consultant to provide financial consulting and advisory services to the Authority in connection with the Puerto Rico Electric Power Authority Public-Private Partnerships Projects, as detailed in the Proposal. In the event that the Authority desires to engage the Consultant to advise the Authority in any other matter that is not within the scope of the Proposal, the Parties shall negotiate in good faith a separate agreement or an amendment hereto with respect to such mandate.

Section 1.2. Term. This Agreement shall be in effect from July 1, 2021 until June 30, 2022 (the "Expiration Date"), provided that the Expiration Date may be extended by amendment executed in writing by both Parties.

ARTICLE II SCOPE OF SERVICES; ADVICE AND RECOMMENDATIONS; SUBCONTRACTING

Section 2.1 Scope of Services. Subject to the terms and conditions of this Agreement, the Consultant's services shall be consistent with the provision of the deliverables, tasks and services described in the Proposal and such other tasks delegated to it by the Authority and within the capabilities of the Consultant.

Section 2.2. Advice and Recommendations. The services to be provided under this Agreement may include advice and recommendations for the benefit of the Authority and/or the Government of Puerto Rico, but the Consultant will not make any decisions on behalf of the Authority or the Government of Puerto Rico in connection with the implementation of such advice and recommendations.

Section 2.3 Subcontracting. The Consultant shall not subcontract the services under this Agreement, or contract third party experts or other persons to render the services under this Agreement, without prior written authorization from the Authority. A request to hire another service consultant shall specify the matters in which the subcontracted consultant would take part.

ARTICLE III COMPENSATION; INVOICES; OUT OF POCKET EXPENSES

Section 3.1 Professional Fees. The Authority shall compensate the Consultant for the actual time incurred in delivering the services and completing the tasks, assignments and deliverables set forth in **Appendix A**, at the applicable hourly rates listed in the Budget/Level of Effort Schedule provided in **Appendix A** of this Agreement. Should the Consultant assign an additional team member not included in Appendix A to attend the Authority's matters, the Consultant shall promptly send the Authority an amended schedule to include such person's name, position, and hourly rate, and request written approval from the Authority for such amended schedule.

Handwritten signature in blue ink, followed by the date "2/28" written below it.

The total amount to be paid by the Authority in relation to the services rendered under this Agreement shall not exceed TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00), including reimbursable expenses, unless otherwise agreed to by the Parties. The Consultant will submit monthly invoices to the Authority within thirty (30) days of performing the services being provided, which shall include a detailed description of the services rendered by the Consultant, complying with the Authority's billing guidelines attached hereto as **Appendix B** of this Agreement. Each invoice shall be itemized with entries for fractions of an hour based on tenths of an hour (.10) and must be duly certified by an authorized representative of the Consultant. The Authority will not honor invoices submitted after one hundred twenty (120) days of services having been rendered. The Consultant accepts and agrees to this requirement, and understands that if it does not comply accordingly, it waives its right to payment for rendered services covered by such invoices. The Authority reserves the right to review the invoices and if they are in compliance with the requirements set forth in this Agreement, it will proceed with payment.

The Consultant agrees to notify the Authority within five (5) working days after having reached 75% of the maximum amount to be paid under this Agreement. The written notification shall include a report of projected services for the duration of the Agreement that entail a possible increase to the limit established and a request addressed to the Executive Director to increase said amount. The Consultant hereby agrees to comply with these responsibilities with respect to the notification requirements and the report to be submitted. Furthermore, the Consultant understands and accepts that it may not exceed the amount established in the Agreement unless and until the Agreement is amended accordingly and the increase is authorized by the Authority. If the Consultant does not comply with the amendment requirement, it waives its rights to payment for services rendered, even after they have been provided. The Authority acknowledges and understands that to the extent services are required of the Consultant beyond the "not-to-exceed" fee cap above, the Consultant cannot provide those additional services until the Authority agrees to pay additional compensation and expenses, and the Agreement is amended in writing accordingly.

The Consultant acknowledges and agrees that retroactive contracting is contrary to government contracting requirements and that the Authority will not issue retroactive payments. The Consultant acknowledges and agrees that Services rendered before the date of execution or before the effective date of the Agreement, as applicable, will not be paid by the Authority.

Each invoice must include a written certification stating that no officer or employee of the Authority will derive or obtain any benefit or profit of any kind from this Agreement, with the acknowledgment that invoices which do not include this certification will not be paid. This certification must read as follows:

"We certify under penalty of nullity that no public servant of the Puerto Rico Public-Private Partnerships Authority will derive or obtain any benefit or profit 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 of the Puerto Rico Public-Private Partnerships Authority. The total amount shown on this invoice is true and correct. The services have been rendered, and no payment has been received in respect thereof.”

All invoices shall be in portable document format (PDF), signed and transmitted by electronic mail transmission to the following electronic mail address: InvoiceP3@p3.pr.gov.

The Consultant agrees to submit checking account transfer data to the Authority in order to facilitate future payments by means of electronic transfers.

The Consultant further acknowledges and agrees that the Authority has the right to recover any erroneous payment, including but not limited to, any overpayment, duplicate payment and/or any other payment not authorized by law, regulation, and/or this Agreement. The Consultant agrees to promptly return any erroneous payment to the Authority upon receipt of a written notice. In addition, if the Consultant becomes aware of an erroneous payment made by the Authority, the Consultant shall immediately notify the Authority’s management and request instructions to proceed accordingly. The Consultant acknowledges and agrees that the Authority reserves the right to make the necessary adjustments in any remaining payments to the Consultant until any erroneous amount paid is recovered.

The Authority certifies that the funds for the payment of Services rendered under this Agreement come from budgetary allocations. All disbursements for such payments shall be made from account 0105030420.

Section 3.2 Travel and Out of Pocket Expenses

(a) The Authority will reimburse the Consultant on a monthly basis for out-of-pocket expenses directly related to the services rendered under this Agreement, including, but not limited to, travel and lodging, filing fees, taxi fares, delivery expenses, and services such as overnight mail, courier, and messenger charges.

(b) Any expense for which a reimbursement is requested shall be reasonable and necessary, and any expenses exceeding FIVE THOUSAND DOLLARS (\$5,000.00) individually shall be authorized in writing and in advance by the Authority. The Authority will not reimburse expenses which do not comply with this provision. Under no circumstances will expenses for alcoholic beverages be reimbursed.

(c) Any petition for reimbursement of expenses must be accompanied by the corresponding invoice or receipt and shall specify the relation of the expense to the services rendered. All reimbursements shall be for actual expenses incurred and shall be billed at cost.



**ARTICLE IV
INFORMATION; CONFIDENTIALITY**

Section 4.1. Information Provided by the Consultant. No information or advice provided or materials prepared by the Consultant as a result of its activities hereunder may be disclosed, in whole or in part, or summarized, excerpted from or otherwise referred to a third party outside of the Executive Branch (other than, on a confidential, non-reliance, need to know basis, to the Authority's employees, advisors, counsel and other representatives) without the Consultant's prior written consent, which shall be conditioned on the execution of a release letter in the form provided by Consultant unless compelled by law or court order. In addition, the Authority agrees that any reference to the Consultant in any press release or communication is subject to the Consultant's prior written approval, which may be given or withheld in its reasonable discretion, for each such reference. The Authority shall retain the right to use, refer, share, or provide to any third party, as the Authority may determine, the results of any: analyses, investigation summaries; and, written reports resulting from the Services performed by the Consultant that were specifically designated as a final deliverable that were provided to the Authority under this Agreement.

Section 4.2. Confidential Information.

(a) The Consultant acknowledges the proprietary and confidential nature of all internal, non-public, information systems, financial, and business information relating to the Authority, as well as to the Government of Puerto Rico, its agencies, corporations or municipalities, now or hereafter provided to the Consultant (the "Confidential Information").

(b) The Consultant and its Representatives (as defined below) shall keep in confidence in accordance with the terms of this Agreement all such Confidential Information and shall not, except as otherwise set forth herein, make public or disclose any of said information without the previous written consent of the Authority. The Consultant and its Representatives may use the Confidential Information in connection with providing the services contemplated by this Agreement. The term Confidential Information shall not include information which (i) is previously known to the Consultant and/or its Representatives, (ii) is available to the public prior to the time of disclosure hereunder, (iii) subsequent to the time of disclosure hereunder, becomes available to the public other than as a result of a breach of this Agreement by the Consultant, (iv) subsequent to the time of disclosure hereunder becomes available to the Consultant or its Representatives by a third party who, to the knowledge of the Consultant, is under no obligation to keep the information confidential, (v) is independently developed by the Consultant without reference to the Confidential Information or (vi) is approved for disclosure or release by the Authority.

(c) Notwithstanding the above, the Consultant and/or its Representatives, as applicable, may disclose Confidential Information to (a) its affiliates and approved subcontractors and their respective directors, officers, employees, agents, consultants, advisors and/or representatives (such individuals receiving Confidential Information hereunder, collectively, the "Representatives") who need to know such Confidential Information to fulfill the purposes of this Agreement, provided that such persons shall have been advised of the confidential nature of such materials and information and the Consultant shall direct them to treat as confidential such



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information and to return all materials to the Consultant upon request; provided, that the Consultant shall be responsible for any breach of this Agreement by its Representatives and (b) pursuant to a request or requirement by law, regulation or governmental, regulatory or self-regulatory authority or legal process (including by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other process) to provide such Confidential Information.

(d) The Consultant will promptly, upon the written request of the Authority, deliver to the Authority, or at the Authority's election, destroy all Confidential Information; provided, however, that the Consultant and its Representatives may retain copies of Confidential Information, subject to the confidentiality terms of this Agreement, in accordance with their respective internal record retention policies for legal, compliance or regulatory purposes or to establish the rights of the Consultant and its Representatives under this Agreement.

(e) This provision shall survive the termination or expiration of this Agreement for a period of two (2) years.

ARTICLE V BREACH; TERMINATION

Section 5.1 Breach of Contract Terms. Any violation or breach of terms of this Agreement on the part of the Consultant or the Consultant's subcontractors, if any, may result in the suspension or termination of this Agreement or such other action, including the recovery of damages (such damages to be limited as per Section 6.1(a) herein) that may be necessary to enforce the rights of the Authority. The duties and obligations imposed by the Agreement and the rights and remedies available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

Section 5.2 Termination with or Without Cause. Notwithstanding any provision to the contrary in this Agreement, the Authority shall have the right to terminate this Agreement without cause by providing the Consultant thirty (30) days' notice by registered mail, return receipt requested, or overnight express mail. Any provisions of this Agreement which expressly or by implication are intended to survive its termination or expiration will survive and continue to bind the Parties. The Authority shall also have the right to terminate this Agreement immediately, without prior notice, if the Consultant incurs in negligence, abandonment of its obligations and/or breach of the terms of the Agreement. The Consultant may terminate this Agreement if it determines any part of the services rendered hereunder would be in conflict with law or professional standards.

Section 5.3 Termination by the Office of the Governor's Chief of Staff. The Office of the Governor of Puerto Rico's Chief of Staff has the authority to terminate this Agreement at any time on behalf of the Authority.

Section 5.4 Upon any termination or expiration of this Agreement, the Authority shall promptly pay the Consultant any accrued but unpaid fees hereunder, and shall reimburse the Consultant for any unreimbursed expenses that are reimbursable hereunder.



Section 5.5 Upon any termination or expiration of this Agreement, the rights and obligations of the Parties shall terminate, except for the rights and obligations that shall survive the termination or expiration of this Agreement.

**ARTICLE VI
INDEMNIFICATION; INSURANCE**

Section 6.1. Indemnification and Liability.

(a) The Consultant shall defend, indemnify and hold the Authority, its officers, officials, and employees, harmless from any and all claims, injuries, damages, losses or suits including attorney fees ("Claims"), to the extent arising out of or resulting from the gross negligence or willful misconduct of the Consultant in the performance of its obligations under this Agreement (as determined by a final, non-appealable judgment by a court of competent jurisdiction). The Consultant, its subsidiaries and subcontractors, and their respective personnel shall not be liable to the Authority for any Claims relating to this engagement for an aggregate amount in excess of the fees paid by the Authority to the Consultant pursuant to this engagement, except to the extent resulting from the bad faith or intentional misconduct of the Consultant or its subcontractors. In no event shall the Consultant, its subsidiaries or subcontractors, or their respective personnel be liable to the Authority for any loss of use, data, goodwill, revenues or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect, incidental, punitive, or exemplary loss, damage, or expense relating to this engagement. The foregoing limitation of liability and disclaimer shall not apply to Claims for which a party is obligated to indemnify under this Agreement.

(b) Each Party shall indemnify, defend and hold harmless the other from and against any and all amounts payable under any judgment, verdict, court order or settlement for death or bodily injury or the damage to or loss or destruction of any real or tangible personal property, but only to the extent the foregoing arise out of the indemnitor's negligence or intentional misconduct in the performance of this Agreement. The Consultant shall indemnify, defend and hold harmless the Authority from all Claims arising from claims brought by any subcontractor of the Consultant hereunder against the Authority for payment or for other damages arising under the applicable subcontract agreement between the Consultant and such subcontractor except for those claims caused by the Authority. The Authority shall indemnify, defend and hold harmless the Consultant from all claims, injuries, damages, losses or suits including attorney fees arising out of the Authority's use and/or disclosure of any work product provided by Consultant hereunder. The Consultant hereby agrees to use reasonable efforts to mitigate any and all damages and other losses to the Authority and any entity of the Executive Branch. To the extent permitted by law, all claims and Losses relating to, directly or indirectly, or arising from this Agreement (including the Services), however caused, regardless of the form of action and on any theory of liability, including contract, strict liability, negligence or other tort, shall be brought under and shall be subject to the terms of this Agreement.

Section 6.2. Insurance.

(a) The Consultant represents that as of the date of execution of this Agreement, it

maintains professional liability insurance to provide for errors, omissions and negligent acts that may arise from the services rendered under this Agreement in the minimum amount of FIVE MILLION DOLLARS (\$5,000,000.00).

(b) The Consultant also represents that it maintains Commercial General Liability insurance in the minimum amount of ONE MILLION DOLLARS (\$1,000,000.00). It shall be the Consultant's obligation to submit to the Authority the corresponding certifications from its insurance company evidencing such coverages. The certifications provided must identify the Authority as Additional Insured.

(c) With respect to the Commercial General Liability insurance policy, the certification to be provided by the Consultant must identify the Authority as Additional Insured and include the following cancellation notice:

"CANCELLATION CLAUSE: It is understood and agreed that in the event of cancellation of this policy at the request of the insurance company, thirty (30) days written notice shall be given to the above-mentioned additional insured, PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY. However, it is agreed that if cancellation is due to non-payment of premium, ten (10) days written notice will be given".

It shall be the Consultant's obligation to submit to the Authority the corresponding certifications from its insurance company evidencing the abovementioned insurance coverage. The insurance policies required herein must remain in effect during the term of this Agreement, including any amendments to extend said term.

ARTICLE VII APPLICABLE LAWS OF PUERTO RICO

Section 7.1. Interagency Service Clause. Both Parties acknowledge and agree that the contracted services may be provided to any entity of the Executive Branch with which the Authority subscribes an interagency agreement or by direct disposition of the Office of the Chief of Staff of the Governor of Puerto Rico. These services will be provided under the same terms and conditions regarding work hours and/or compensation as set forth in this Agreement. For purposes of this section, the term "entity of the Executive Branch" includes all agencies of the Government of Puerto Rico, as well as its instrumentalities, public corporations and the Governor's Office.

Section 7.2. Source of Funds. The Authority certifies that the funds for the payment related to the services rendered under this Agreement come from budgetary allocations. All disbursements for such payments shall be made from the Puerto Rico Public Partnerships Authority's account.

Section 7.3. Professional Ethics Rules. The Consultant acknowledges and accepts that, to the extent applicable, it is knowledgeable regarding the rules of ethics of its profession and assume responsibility for its own actions. The Consultant also acknowledges that in executing its


professional services pursuant to this Agreement it has the obligation to exhibit complete loyalty towards the Authority, including having no adverse interest to this government entity. Adverse interest includes representing clients relative to interests that are contrary to the Authority's. This duty includes the continued obligation to disclose to the Authority, when permitted under the applicable rules of professional conduct, all circumstances of its relationships with clients and third persons or any interests adverse to the Authority, which could influence the Consultant when executing the Agreement or while it is in effect. The Authority acknowledges that the Consultant is a large global consulting firm with numerous offices around the world. The Consultant is regularly engaged by new clients including financial institutions and investors and any such client may from time to time acquire, hold or trade interests adverse to The Authority or its affiliates. None of the Consultant's professionals involved in this matter will participate in providing any services which directly conflicts with its duties hereunder without the express written consent of the Authority. It is understood that the Consultant's representation of these clients in unrelated matters shall not be deemed conflicts or influences on the Consultant hereunder. If any one of the Consultant's professionals violate the above clause, such violation shall constitute a violation of this prohibition. The Consultant commits to take all reasonable precautions to attempt to avoid even the appearance of having a conflict of interest to the Authority that has not otherwise been waived.

Section 7.4. Anti-Corruption Provisions.

(a) The Consultant certifies that it has received a copy of and agrees to comply with Act No. 2-2018, known as the Anti-Corruption Code for the New Puerto Rico ("Act No. 2-2018"), and with the Puerto Rico Government Ethics Law of 2011, Act No. 1-2012, as amended ("Act No. 1-2012").

(b) The Consultant shall furnish a sworn statement to the effect that neither the Consultant nor any president, vice president, executive director or any member of a board of officials or board of directors, or any person performing equivalent functions for the Consultant has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico ("Act No. 8-2017"), or any of the crimes included in Act No. 2-2018.

(c) The Consultant hereby certifies that it has not been convicted in Puerto Rico or United States Federal Court under Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, for any of the crimes listed in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code ("Act No. 146-2012"), any of the crimes typified in Act No. 2-2018, or any other felony that involves misuse of public funds or property, including, but not limited to, the crimes mentioned in Article 6.8 of Act No. 8-2017.


(d) The Authority shall have the right to terminate this Agreement in the event the Consultant is convicted in Puerto Rico or United States Federal Court under Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, any of the crimes listed in Articles 250 through 266 of Act No. 146-2012, any of the crimes typified in Act No. 2-2018, or any other felony that involves misuse of public

funds or property, including, but not limited to, the crimes mentioned in Article 6.8 of Act No. 8-2017.

(e) It is expressly acknowledged that this certification is an essential condition of this Agreement. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for the Authority to terminate this Agreement immediately, without prior notice, and the Consultant will have to reimburse the Authority any amount of money received under this Agreement.

(f) If the status of the Consultant or any of its shareholders, partners, associates, officers, directors, employees or agents with regards to the charges previously mentioned should change at any time during the term of the Agreement, the Consultant shall notify in writing to the Authority immediately. The failure to comply with this responsibility constitutes a violation of this Clause, and shall result in the remedies mentioned previously.

Section 7.5. Conflicts of Interests.

(a) Both Parties hereby declare that, to the best of their knowledge, as of the date hereof, no public officer or employee of the Government of Puerto Rico, or any of its agencies, instrumentalities, public corporations or municipalities or employee of the Legislative or Judicial branches of the Government has any direct or indirect interest in the present Agreement. The Consultant certifies that neither it, nor any of its directors, executives, officers or employees, offered or paid, directly or indirectly, any commissions, referrals, contracts, or any other consideration having an economic value, to a third party as a condition for obtaining this Agreement or to influence in any way its execution. In addition, the Consultant certifies that it shall not pay any commissions, make any referrals, execute any contracts, or provide any other consideration having an economic value, to a third party for the services to be rendered under this Agreement, except for any subcontracts authorized by the Authority in accordance with the provisions established herein.

(b) The Consultant certifies that none of its partners, directors, executives, officers and employees receives salary or any kind of compensation for the delivery of regular services by appointment (or otherwise) in any agency, instrumentality, public corporation, or municipality of the Government of Puerto Rico.

(c) The Consultant certifies that, at the time of the execution of this Agreement, it does not have nor, to its knowledge, does it represent anyone relative to interests that are in conflict with the Consultant's duties to the Authority under this Agreement. If such conflicting interests arise after the execution of this Agreement, the Consultant shall notify the Authority during a period of five (5) business day from the day the Consultant learned of such conflict of interest, to determine the actions needed to resolve such potential conflict, subject to obligations of privilege and confidentiality.

(d) The Consultant certifies that at the time of execution of this Agreement it has entered the following contracts with agencies, public corporation, municipalities and/or instrumentalities of the Government of Puerto Rico, as listed below, and the performance of the services rendered thereunder does not conflict with the terms and conditions set forth in this



Agreement. The Consultant acknowledges and accepts that the failure to list any current contractual relationship with any governmental entity may result in the termination of this Agreement if required by the Authority.”

Section 7.6. Required Certifications.

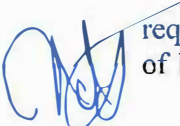
The Consultant will comply with all applicable laws, regulations and executive orders that regulate the contracting process and requirements of the Government of Puerto Rico, including Act No. 73-2019, as amended, known as the “2019 General Services Administration Act for the Centralization of Purchases of the Government of Puerto Rico” (“Act 73-2019”).

In compliance with the provisions of Act 73-2019, the Consultant has provided the Authority the Certification of Eligibility of the Unique Registry of Professional Services Providers (known in Spanish as “Certificado de Elegibilidad del Registro Único de Proveedores de Servicios Profesionales”, and hereinafter referred to as the “RUP Certification”), issued by the General Services Administration. It is hereby acknowledged that pursuant to the provisions of Article 42 of Act 73-2019, a valid RUP Certification serves as evidence of compliance with the documentation requirements necessary for contracting professional services with the Government of Puerto Rico, particularly those applicable under Act No. 237-2004, as amended, which establishes uniform contracting requirements for professional and consultant services for the agencies and governmental entities of the Commonwealth of Puerto Rico (3 L.P.R.A. § 8611 et seq.), the Puerto Rico Department of Treasury Circular Letter Number 1300-16-16 issued on January 22, 2016, as amended, which is available at: <http://www.hacienda.pr.gov/publicaciones/carta-circular-num-1300-16-16>, and the sworn statement before notary public required pursuant to Article 3.3 of Act No. 2-2018. In addition, the RUP Certification substitutes the Single Debt Certification (“Certificación Única de Deuda”), issued pursuant to Act 85-2009, as amended, known in Spanish as “Ley de Certificados y Comprobantes Electrónicos”, which serves as evidence of compliance with certifications issued by the Department of Treasury of Puerto Rico, the Department of Labor and Human Resources of Puerto Rico, the Municipal Revenue Collection Center, and ASUME (as defined below).

Further, the Consultant hereby certifies, guarantees, acknowledges and agrees to the following:

(a) The Consultant represents that at the execution of this Agreement, it has submitted income tax returns in Puerto Rico (if required by applicable law) during the past five (5) years. The Consultant also represents that it does not have outstanding debts with the Government of Puerto Rico for income taxes, real or chattel property taxes, unemployment insurance premiums, workers’ compensation payments or Social Security for chauffeurs in Puerto Rico and the Administration for the Sustenance of Minors (known by its Spanish acronym as “ASUME”).

(b) The Consultant has provided the Authority with a certificate of incorporation, if required by the Authority, and a Good Standing Certificate issued from the Department of State of Puerto Rico as proof that it has complied with the applicable annual corporation report filing



obligations.

(c) It is expressly acknowledged that the certifications provided by the Consultant, pursuant to this Section, are essential conditions of this Agreement, and if these certifications are incorrect, the Authority shall have sufficient cause to terminate this Agreement immediately, without prior notice to the Consultant.

(d) For purposes of this Agreement, tax debt shall mean any debt that the Consultant, or other parties which the Authority authorizes the Consultant to subcontract, may have with the Government of Puerto Rico for income taxes, real or chattel property taxes, including any special taxes levied, license rights, tax withholdings for payment of salaries and professional services, taxes for payment of interest, dividends and income to individuals, corporations and non-resident accounting firms, for payment of interests, dividends and other earnings shares to residents, unemployment insurance premiums, workers' compensation payments, Social Security for chauffeurs and ASUME.

(e) The Consultant shall also be responsible for providing the Authority with the certifications required under this clause from any professional or technical consultant subcontracted by the Consultant and authorized by the Authority that dedicates twenty-five percent (25%) or more of his or her or its time to provide advisory services related to the Agreement. Such subcontractors shall be considered subcontractors for the purposes of this Clause. Notwithstanding anything herein to the contrary, the Consultant shall have the right to rely conclusively on the aforementioned certifications from government agencies in making the representations in this Clause.

(f) Investment Act for the Puerto Rican Industry, Act No. 14-2004, as amended: In compliance with the dispositions of Act No. 14-2004, known as the Investment Act for the Puerto Rican Industry, the Consultant shall use articles extracted, produced, assembled, packaged or distributed by companies with operations in Puerto Rico or distributed by agents established in Puerto Rico while rendering the Services, provided such articles are available.

(g) Improvement of Family Assistance and Support for the Elderly. The Consultant also certifies and warrants that it is in compliance with Act No. 168 2000, as amended, known as the "Act for the Improvement of Family Assistance and for the Support of the Elderly." In the event the Consultant is under a court or administrative order directing it to provide financial support or to fulfill any obligation under the mentioned Act, the Consultant further certifies and warrants that it is in compliance with said obligations. It is expressly acknowledged that this certification is an essential condition of this Agreement. If the certification is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for the Authority to terminate the Agreement immediately, without prior notice to the Consultant.

(h) Financial Oversight and Management Board for Puerto Rico's ("FOMB") Policy for Review of Contracts: The Parties acknowledge that the Consultant has presented to the Authority the certification entitled "Contractor Certification Requirement" required pursuant to FOMB's Policy for Review of Contracts effective as of November 6, 2017, as modified on October 30, 2020, signed by the Chief Executive Officer of the Consultant (or other officer with equivalent



position or authority to issue such certifications). A copy of the signed "Contractor Certification Requirement" is included herein as an **Appendix C** to this Agreement.

(i) The Consultant acknowledges and certifies that all documents, certifications, circumstances, representations, warranties and information submitted to the Authority prior to the formalization of the original Agreement as a requirement for government contracting, including those required by Act No. 237-2004, as amended, and the Puerto Rico Department of Treasury Circular Letter 1300-16-16, remain unchanged. The Consultant recognizes that the obligation to inform the Authority about any changes regarding said documents, certifications, circumstances, representations, warranties and information is an obligation that remains throughout the term of the Agreement including its amendments. The Consultant acknowledges that if requested by the Authority, the Consultant must provide the certifications that validate the above. The Consultant's failure to comply with this obligation shall be sufficient cause for the Authority to render this Agreement null and void and to require that the Consultant reimburse to the Authority all moneys received under this Agreement.

(j) The Authority certifies that the Consultant was selected as a provider of the professional services described in this Agreement in accordance with the provisions of Executive Order 2021-029. The Parties certify their knowledge of said Executive Order and the Puerto Rico Office of Management and Budget Circular Letter CC-013-2021, and that any contract that has not followed the processes and requirements established therein will be terminated.

(k) As requested by the Office of Management and Budget Circular Letter 013-2021, at the time of executing this agreement the CONSULTANT certifies that it is a public corporation duly registered and authorized to issue stock shares. The CONSULTANT certifies that the stock shares it issues, as well as the stock shares in circulation, are exchanged in a regulated stock exchange.

Section 7.7. Withholdings. The Consultant is an independent contractor and, as such, shall be responsible for the payment of all of its income taxes, its subcontractors, and its individual and employers' withholdings under the applicable tax laws of Puerto Rico or the U.S. Internal Revenue Code. No withholdings or deductions shall be made from payments to the Consultant for services rendered by Consultant, except for those applicable by law and those applicable under the Puerto Rico Internal Revenue Code of 2011 and its regulations, as amended if any. In particular, when invoicing, the Consultant will allocate fees between those relating to activities undertaken by the Consultant outside Puerto Rico and constituting gross income from sources without Puerto Rico, and those relating to activities undertaken within Puerto Rico and constituting gross income from sources within Puerto Rico. If the entity is not registered in Puerto Rico, therefore a Puerto Rico non-resident the Authority shall deduct and withhold twenty-nine percent (29%) of the gross amounts paid on those invoiced amounts which constitute gross income from sources within Puerto Rico, in accordance with Section 1062.11 of the Puerto Rico Internal Revenue Code. 13 L.P.R.A. Sec. 30281. No withholdings or deductions shall be made from payments for services constituting gross income from services without Puerto Rico. The Authority shall forward to the Secretary of the Treasury of Puerto Rico any applicable withholdings or deductions made to a Consultant.

Withholdings requirements will be adjusted pursuant to any amendments to the Puerto Rico Internal Revenue Code and its regulations.

Consultant represents and warrants that it has and shall continue to pay all taxes and other such amounts required by federal, state and local law, including but not limited to federal and social security taxes, workers' compensation, unemployment insurance and sales taxes.

Section 7.8. Registration at the Office of the Comptroller. The Consultant will not receive any payment for the services rendered under the terms of this Agreement until the Agreement has been registered at the Office of the Comptroller of Puerto Rico, as required by Act No. 18 of October 30, 1975, as amended.

Section 7.9. Dispensation. The Consultant certifies it is not required to obtain a dispensation or waiver in compliance with the applicable laws and regulations of the Government of Puerto Rico prior to or in connection with the execution of this Agreement. The Parties agree that the proven illegality of any of the provisions of this Agreement shall not invalidate it as a whole.

ARTICLE VIII GOVERNING LAW; DISPUTE RESOLUTION

Section 8.1. Governing Law. This Agreement and any dispute relating to the services hereunder shall be governed, construed, interpreted and enforced in accordance with the laws of the Government of Puerto Rico.

Section 8.2. Dispute Resolution. The Parties agree that any dispute, claim or controversy directly or indirectly relating to or arising out of this Agreement, the termination or validity of this Agreement, any alleged breach of this Agreement, the engagement contemplated by this Agreement or the determination of the scope of applicability of this Agreement shall be brought only in the Courts of First Instance of the Commonwealth of Puerto Rico or in the United States District Court for the District of Puerto Rico. The Authority and the Consultant also agree that service of process may be affected through next-day delivery using a nationally-recognized overnight courier or personally delivered to the addresses set forth or referred to in this Agreement., or for service of process to the Authority, to PO Box 42001, San Juan PR 00940-2001. In any claim, all of the costs and the reasonable attorneys' fees of the prevailing party (as determined by the court in such claim) shall be borne by the party who did not prevail. The Authority and the Consultant further agree after all appeals that a final, non-appealable judgment in respect of any claim brought in any such court shall be binding and may be enforced in any other court having jurisdiction over the party against whom the judgment is sought to be enforced.



**ARTICLE IX
MISCELLANEOUS**

Section 9.1. Independent Contractor. The Authority and the Consultant agree that the Consultant's status hereunder, and the status of any agents, employees and subcontractors engaged by the Consultant, shall be that of an independent contractor only and not that of an employee or agent of the Authority. The Consultant shall not have any power or right to enter into agreements on behalf of the Authority.

Section 9.2. Assignment. This Agreement may not be assigned by either party hereto without the prior written consent of the other, to be given in the sole discretion of the party from whom such consent is being requested. Any attempted assignment of this Agreement made without such consent shall be void and of no effect, at the option of the non-assigning party.

Section 9.3. Notice. Notice required to be given in writing pursuant to any of the provisions of this Agreement shall be mailed by next-day delivery using a nationally-recognized overnight courier or hand-delivered, if to the Consultant, at 1001 17th Street, suite 1001, Denver, Colorado, USA 80202, and if to the Authority:

POSTAL ADDRESS

PO Box 42001
San Juan, PR 00940-2001


PHYSICAL ADDRESS

De Diego Avenue No. 100
Roberto Sánchez Vilella Government Center
Central Building Floor 3
Santurce, PR 00907-2345

Section 9.4. Patriot Act. The Consultant hereby notifies the Authority that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act, Pub. L. N 109-177 (Mar. 9, 2006) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Authority in a manner that satisfies the requirements of the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act.

Section 9.5. No Third Party Rights. It is understood that this Agreement is the sole agreement between the parties with regard to the services covered hereby and supersedes any prior agreements, written or verbal. The Agreement may not be changed orally, but may be amended in writing by mutual agreement of the parties. This Agreement is solely for the benefit of the Authority, the Consultant and, to the extent expressly set forth herein, the Indemnified Persons and no other party shall be a third-party beneficiary to, or otherwise acquire or have any rights under or by virtue of, this Agreement.

Section 9.6. Drafting Responsibility. This Agreement has been reviewed by each of the signatories hereto and counsel. There shall be no construction of any provision against either Party because this Agreement was drafted by either Party, and the Parties waive any statute or rule of law to such effect.


Section 9.7. Severability. If any provision hereof shall be held by a court of competent

jurisdiction to be invalid, void or unenforceable in any respect, or against public policy, such determination shall not affect such provision in any other respect nor any other provision hereof.

Section 9.8. Counterparts. This Agreement may be executed in facsimile or other electronic counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same document.

These terms constitute the entire agreement between the Parties with respect to this engagement; supersede all other oral and written representations, understandings, or agreements relating to this engagement; and may not be amended except by a written agreement signed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the aforementioned date.

**PUERTO RICO PUBLIC PRIVATE
PARTNERSHIPS AUTHORITY**



Nelson Pérez Méndez
Deputy Executive Director

FTI CONSULTING, INC.



Ellen Smith
Senior Managing Director
Tax Id. No.



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APPENDIX A PROPOSAL

With respect to the period from July 1, 2021 – June 30, 2022, FTI proposes a not-to-exceed amount of \$2,500,000 in fees to cover the following scope of work:

Work Stream 1: T&D Operations and Maintenance Agreement (T&D OMA)

- **Task 1: Economic, Financial and Technical Support**
 - Ongoing economic, financial, and technical support to the Authority pre and post the Interim Service Commencement Date and any additional support post the Service Commencement Date with implementation of the T&D OMA as well as all ancillary agreements and areas related to the T&D OMA.

Work Stream 2: Legacy Generation and Hydro, including Renewable Generation and Battery Storage Procurement Processes

- **Task 1: Site Inspection**
 - Field inspection of PREPA legacy generation and hydro sites, as well as potential sites for new renewable generation and battery storage, will require reviewing operational and historical asset and locational specific data, validating the technical specification at each site relative to the Respondents proposals.
- **Task 2: Technical Project Review**
 - Review data and design alternatives and assist in interpretation of all technical information within RFQ, RFP and associated documents discussed during the negotiation process, including defining objectives scope and desired outcomes, evaluating and analyzing information from field studies, estimating project schedules, assessing O&M innovation and reviewing technical and financial case studies.
- **Task 3: Engineering Support**
 - Provide engineering support services for special technical issues for due diligence process such as: structural, geotechnical, instrumentation, environmental compliance issues, permitting and others.
- **Task 4: Stakeholder Outreach**
 - Preparation of materials and participation in meetings with potential investors, sponsors, stakeholders, government agencies and other consultants to discuss proposals and project-related information and to finalize PPP structure details ahead of the evaluation process.
- **Task 5: Report Development**
 - Preparation and participation in presentations for the decision makers concerning the PPP; preparation of reports, recommendations, letters, memoranda and other documentation as required.
- **Task 6: Proposal Evaluation and Design**
 - Assist and advise the Authority in the procurement process through supporting the RFQ and RFP processes, providing design and input on proposed contracts provided to bidders, evaluating proposals for technical & financial compliance and undertaking technical, operational and commercial due diligence and evaluations, negotiating final contracts with bidders, culminating in the




recommendation for Preferred Partner and additional negotiation and analytical support through to license transfer.

- **Task 7: Transaction Closing**
 - Assist the Authority in reaching financial close for the PPP projects including participating in negotiations, liaising with financial institutions, attorneys and other stakeholders and ensuring appropriate financial risk mitigation measures are executed.
- **Task 8: Economic and Financial Support**
 - Ongoing economic and financial support to the Authority throughout the entire procurement process as needed. This analysis will comprise transaction support, financial and commercial due diligence, cost of capital analysis and restructuring support.

HOURLY RATE RANGE BY ROLE AND TEAM LIST

Role/Employee	Rate (\$/hour)
Senior Managing Director <i>Ellen Smith</i> <i>John Cochrane</i>	\$1,050 - \$1,250
Managing Director <i>Ronald Arsenault</i> <i>Cecily Gooch</i> <i>Pat Dunne</i>	\$800 - \$950
Senior Director <i>Anu Sen</i>	\$700 - \$850
Director <i>Zach Pappas</i> <i>Barclay Nihill</i> <i>Thomas O'Neill</i>	\$600 - \$750
Consultant/Senior Consultant <i>John Tucker</i> <i>Ian MacGinnis</i>	\$450 - \$575




APPENDIX B

Billing Guidelines for Consultants

The Puerto Rico Public Private Partnerships Authority ("P3 Authority") may engage the services of consulting firms or independent consultants (collectively and hereinafter "Consultant") to provide certain consulting services for managing its affairs (the "Consulting Services").

The Consultant shall be committed to providing Consulting Services with the highest quality standards and in the most reasonable, prompt, efficient and cost-effective manner. Therefore, the P3 Authority expects Consultant to stress integrity and to uphold the highest standards of professionalism and ethical conduct in ensuring timely, responsive, and cost-effective consulting services by complying with these billing guidelines (the "Guidelines").

The Guidelines set forth the P3 Authority's expectations relative to the Consulting Services being provided and the nature of the working relationship with Consultant. Through the Guidelines, the P3 Authority hereby provides Consultant with an understanding of what consulting fees and expenses the P3 Authority will pay and reimburse. Furthermore, these Guidelines shall constitute a written agreement by the parties for any matter to which the Consultant is engaged on behalf of the P3 Authority. These Guidelines shall govern the billing terms of the professional relationship between the P3 Authority and Consultant.

The P3 Authority considers Consultant's invoices for services rendered (the "Invoices") as a certification by Consultant that the billing for services, as reflected on the Invoices, is reasonable for the matters involved, and necessary for the proper rendering of the Consulting Services relative thereto.

The P3 Authority expects Consultant to strictly adhere to the Guidelines and to charge for actual consulting services rendered, at the rates established and agreed in advance by the parties, and to refrain from billing non-billable work or expenses. Compliance with the Guidelines will avoid delays in processing Invoices or the possible nonpayment of the services provided. The P3 Authority expects Consultant to become familiar with the Guidelines and if there are any questions relative thereto then Consultant should contact P3 Authority's Legal Department.

The following rules shall govern Consultant's billing for the Consulting Services and its presentation of the Invoices:

A. Billing Rates and Fee Arrangements

- i. The P3 Authority expects to be charged reasonable fees for the Consulting Services, pursuant to the applicable code of professional conduct. A reasonable fee is considered to be the product of: a) the amount of time reasonably necessary to devote to the matter by appropriately qualified consulting professionals, and b) the customary or previously agreed to billing rates (the "Billing Rates") of those professionals involved in the rendering of the Consulting Services. Furthermore, the P3 Authority expects Consultant to use prudence and reasonableness in



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rendering the Consulting Services, refraining from providing more consulting services than are actually needed to complete the same.

- ii. Under no circumstance will the P3 Authority pay for Consultant's overhead expenses, as they are generally categorized in accordance to applicable accounting principles.
- iii. Consulting Services will be billed in increments of **[6 minutes or 1/10 of an hour]**.
- iv. Unless otherwise agreed upon in advance, all hourly billing rates shall be solely on the basis of the Billing Rates. Absent a specific agreement for an alternative fee arrangement for a specific consulting service, Consultant's fees shall be computed by applying the Billing Rates to the reasonable time actually incurred in rendering the Consulting Services.
- v. The level of expertise of the consultant assigned to a matter referred by the P3 Authority shall be appropriate to the complexity of the issue therein. Therefore, partners, principals or directors of the consulting firm shall not bill for tasks that can be performed by a less senior consultant at a lower cost. Furthermore, the P3 Authority requires Consultant to assign less demanding tasks to less senior consultants in order to minimize consulting expenses. Additionally, for matters of similar nature occasionally referred to Consultant, the P3 Authority expects Consultant to assign a consultant with prior experience with such matter. Consultant shall ensure that the work performed by the assigned consultant(s) is reasonable, useful, and done efficiently.

B. Referrals and Budgets

- i. If applicable, in the event that Consultant anticipates incurring in significant time or expenses in excess of the normal amount within a particular month, Consultant shall contact the P3 Authority to notify of the anticipated excess amount of billable hours or expenses during that month and shall include a reasonably detailed explanation of the reasons for such additional costs.

C. Staffing Matters

- i. The P3 Authority will not pay for or authorize:
 - a) Administrative charges such as:
 - i. Scheduling or review of personnel;
 - ii. Preparation and review of billing statements;



- iii. Preparation of budgets of time plan, staffing of total costs of projected consulting work;
 - iv. Preparation of Audit Letters to our external auditors;
 - v. Preparation of any other status report; or negotiation, review, and/or drafting of retention or engagement agreement between the P3 Authority and the Consultant.
- b) Grazing: The P3 Authority will not pay for billed time for getting up to date with any consulting matter. This includes time spent by newly assigned consultants to familiarize themselves with a matter.
 - c) Block billing: All tasks must be billed separately.
 - d) Vague, confusing or otherwise undetailed time entries.
 - e) Time associated with research on general client or industry trends, and time expended on "canned" research, such as research of a generic nature or for a prior matter or issue.
 - f) Intra-office conferences that deal with substantive issues are reimbursable when a thorough description of the purpose is provided. No more than two consultants shall bill for an intra-office conference.
 - g) Overstaffing: A minimum number of consultants should be assigned to each matter. Overstaffing includes:
 - i. More than one consultant billing for reading or reviewing internal written communication (including email); or
 - ii. Inclusion of more than one consultant at meetings or hearings for the purpose of consultant development.

Consultant should explain why the circumstances warrant an exception from this general rule. The P3 Authority reserves the right of not paying the hours billed by any additional consultant if P3 Authority's prior written approval was not obtained by Consultant.

- h) The review, execution and processing of agreements with the P3 Authority.
- i) Any time spent at seminars or other training, unless otherwise specifically approved in writing.



Handwritten signature in blue ink, possibly reading "J. M. ...".

- j) Summer intern, temporary or contract consultant, or other intern time unless it has previously been identified as part of the approved staffing in the Billing Rates approved by the P3 Authority.
- ii. If a previously drafted or standard form is available, the P3 Authority will pay only for the amount of time necessary to modify the document for use in the specific consulting matter and not the time originally incurred to draft the standard document.
- iii. Subject to the provisions of subsection (i) of this Section C, the P3 Authority will not pay for administrative work performed by consultants, such as managing or supervising other consultants, nor will pay for in-firm meetings, conferences, and consultations.
- iv. The P3 Authority shall not pay for duplication of time caused by:
 - a. Transfer of a consulting matter to a new consultant for internal reasons;
 - b. Double teaming; or
 - c. One consultant redoing the work of another.
- v. It is recommended, but not required, that prior to any meeting or conference call, Consultant shall provide the P3 Authority team members with an agenda for said meeting or conference call detailing the matters to be discussed, as well as a guideline for suggested next steps after any such meeting or conference call.

D. Billing and Invoicing

- i. Each task or activity shall be separately itemized on the Invoices, including a break-down thereof that at a minimum shall include:
 - a. A chronological listing of all services;
 - b. A description of the service being billed. The description shall include (i) the type of work being performed and (ii) the subject matter;
 - c. The name of each consultant or consulting professional whose work is being billed;
 - d. The date of the service;
 - f. The amount of time spent by each person on each item in the interval increments defined herein; and
 - g. The Billing Rate at which the service is being billed.
- ii. Entries for telephone conversations, conferences and meetings must specifically describe all parties involved and the subject matter or purpose of the task.
- iii. The P3 Authority will not pay for billed services whose descriptions lack specificity.
- iv. The Invoices shall include a summary thereof, including:



- a. Name and initials of each time keeper;
 - b. Staff classification including for each category of consulting personnel (Partner, Junior Partner, Manager, Senior Consultant, Consultant, Principal, Director, Associate, Intern, etc.);
 - c. Hourly billing rate of each time keeper; and
 - d. Total time and fees billed for each time keeper by subject matter.
- v. The Invoices shall also include an overall summary by staff classification, including for each category of consulting personnel (Partner, Junior Partner, Manager, Senior Consultant, Consultant, Principal, Director, Associate, Intern, etc.), the number of individuals in each category, the total number of hours by each category, and the total fees by category.
 - vi. The Invoices shall be divided individually by project or matter (e.g. Flexible Distributed Generation Units Project; San Juan Bay Cruise Terminals Project; Court cases; etcetera). Invoices shall also include a billing history or summary of all fees and expenses incurred in a particular matter up to the invoicing date along with a comparison to the total budgeted or contracted amounts.
 - vii. The P3 Authority reserves the absolute right to make any changes, at its sole discretion, to the fees included in the Invoices if it reasonably believes that the amount of time devoted to the matter by the consulting professional or the timekeeper should be reduced.
 - viii. In addition, Consultant shall provide the Certificate of Waiver from Withholding (total or partial) from the Puerto Rico Department of Treasury to the P3 Authority, if applicable.
 - ix. Any Invoices without the required information included or attached will not be processed for payment and will be returned to Consultant for the corresponding corrections or modifications.
 - x. The Consultant's in charge of the P3 Authority account (the "Account Partner") shall review the Invoices prior to submitting them to the P3 Authority and should be able to explain all of its time charges if so requested.
 - xi. Furthermore, the Account Partner shall certify the accuracy and reasonableness of the Invoices and their compliance to the Guidelines and all applicable ethical rules. The P3 Authority reserves the right to withhold or deny approval of the Invoices in the event the Guidelines are not complied with.

E. Expense Reimbursement

- i. The P3 Authority will not pay and will not separately reimburse Consultant for overhead costs. Expenses that are considered Consultant's overhead are part of the professional's hourly rate and are not reimbursable. The term overhead includes, but is not limited to all administrative or general costs incidental to the operation of the Consultant including



without limitation office rent, conference rooms, equipment, computer software, office supplies, transportation, telephone and mobile charges, books, meals, routine postage, the services of librarians, file clerics, data entry clerks, photocopy operators, secretaries, overtime or utilities, word processors, messengers, other support personnel, or any other overhead expense as recognized by applicable accounting standards.

- ii. Non reimbursable tasks include binding, scanning, indexing, collating, coding, filing, transmitting and preparing letters, mailing, faxing, emailing, word processing, proofreading, scheduling, events, deliveries, data entry, conference call charges, invoicing, billing, staffing, or other similar clerical or ministerial functions.
- iii. The Invoices may also include additional consulting expenses to be charged by Consultant as previously authorized by the P3 Authority, with a total for those consulting expenses charged at a reasonable market price. Each such additional expense item shall be:
 - a. Separately itemized;
 - b. Show the date the expense was incurred;
 - c. Include a descriptive explanation of the charge;
 - d. Indicate the amount of the charge; and
 - e. Indicate the timekeeper who incurred the charge.
- iv. Disbursements for pre-approved reimbursable expenses will be compensated at actual cost with the appropriate documentation to substantiate the expenses such as actual vendor receipts, which shall be included in the Invoices as an attachment. Actual cost is defined as the amount paid to a third-party service provider, net of any discounts ("Actual Cost").
- v. All expenses will be reimbursed at Actual Cost and Consultant shall not upcharge any of the expenses incurred in providing services to the P3 Authority. The P3 Authority will not pay for normal transportation costs incurred in travel to and from the office, for overtime transportation, or for valet services. Car services during travel are limited to taxicab or transportation network companies' fares, and Consultant shall provide appropriate documentation to substantiate the expenses such as actual receipts, which shall be included in the Invoices as an attachment.
- vi. The P3 Authority will reimburse Consultant for reasonable and necessary delivery charges and messenger services at Actual Cost. However, charges for time spent preparing mail packages are considered as part of the Consultant's overhead and are not reimbursable. Disbursements for messenger services expenses will be compensated with the appropriate documentation to substantiate the expenses such as actual receipts, which shall be included in the Invoices as an attachment. Third party courier and express delivery services should be used cautiously.
- vii. Photocopying will be reimbursed at the Actual Cost to Consultant and which under no circumstances shall exceed ten (10) cents per page. Documentation for photocopying expenses shall include evidence of the amount of copies executed with the date.




- viii. Reimbursements of expenses made by Consultant during travel to Puerto Rico are limited to:
 - a. Fifty-eight (58) dollars per day for food, for which Consultant need not provide a receipt; and
 - b. One hundred and ninety-five (195) dollars per night, for hotel for which Consultant must provide appropriate documentation subject to agreement by the P3 Authority.
- ix. Reimbursements of expenses made by Consultant during travel outside of Puerto Rico are subject to the regulations published by the U.S. General Service Administration and the Defense Travel Management Office of the Department of Defense.
- x. Expenses for airfare travel will be reimbursed with the appropriate documentation to substantiate the expense, such as receipt of the air fare where the trip detail is presented. The P3 Authority will only reimburse for economy class airfare travel. The P3 Authority will not pay for any costs incurred in for “extra leg room” space. Any reimbursement for cancelled air travel must be pre-approved by the P3 Authority.
- xi. The P3 Authority expects Consultant to immediately provide any back up documentation for a particular disbursement charge if it so requires. The P3 Authority will not pay for unsupported charges.
- xii. The P3 Authority will only reimburse for expenses made within the time frame of the contract between the P3 Authority and Consultant.

F. Third Party Subcontracting

- i. If Consultant deems it necessary to use any other consulting firm, consultant, or other third party providers (the “Third Party”) in providing a service in a matter it is handling for the P3 Authority, then such request shall be made to the P3 Authority A prior to the retention or hiring thereof and shall obtain written consent from the P3 Authority to proceed with the subcontracting.
- ii. Unless a different billing arrangement is authorized by the P3 Authority, Consultant shall directly pay the Third Party for work performed in connection with services rendered on behalf of the P3 Authority.
- iii. Payments to the Third Party should be included as a disbursement on Consultant’s next subsequent invoice to the P3 Authority and said invoice shall be accompanied by the Third Party’s corresponding billing detail which shall also be in full compliance with the Guidelines.
- iv. Consultant shall not upcharge or surcharge any of the Third Party’s billings or expenses incurred in providing services to the P3 Authority. The P3 Authority will only reimburse the Actual Cost of pre-approved Third Party’s services.



- v. All Third Party invoices paid by Consultant shall be included in the Invoices as an attachment and as an itemized expense must, absent specific prior approval to the contrary, also comply with the Guidelines.

CONSULTANT ACKNOWLEDGMENT

The Consultant through its Account Partner, or representative noted herein, acknowledges the receipt and review of the P3 Authority 's Billing Guidelines for Consultants.

Kindly indicate your acceptance and agreement to adhere to the above guidelines by signing a copy thereof and returning the same to the P3 Authority.

By signing this acknowledgment, you further certify that you will only remit invoices to the P3 Authority that fully comply with all terms and conditions contained in the Guidelines.

This document may be signed in counterparts and a copy of the execution signature shall be as effective as an original. Furthermore, all fully executed copies shall be considered duplicate originals.

So acknowledged and accepted by:

Ellen Smith

Senior Managing Director



June 30, 2021


2021

Appendix C

Contractor Certification Requirement

The following certification shall be provided to the Oversight Board and the Commonwealth's Contracting Government Entity by the Chief Executive Officer (or equivalent highest rank officer) of each proposed contractor under contracts submitted for review:

1. The expected contractor's subcontractor(s) in connection with the proposed contract¹ is (are) the following:

FTI does not anticipate requiring any subcontractors.

2. Neither the contractor nor any of its owners², partners, directors, officials or employees, has agreed to share or give a percentage of the contractor's compensation under the contract to, or otherwise compensate, any third party, whether directly or indirectly, in connection with the procurement, negotiation, execution or performance of the contract, except as follows:

FTI can confirm that no parties have agreed to share or give a percentage of the contractor's compensation to any third parties.

3. To the best knowledge of the signatory (after due investigation), no person has unduly intervened in the procurement, negotiation or execution of the contract, for its own benefit or that of a third person, in contravention of applicable law.
4. To the best knowledge of the signatory (after due investigation), no person has: (i) offered, paid, or promised to pay money to; (ii) offered, given, or promised to give anything of value to; or (iii) otherwise influenced any public official or employee with the purpose of securing any advantages, privileges or favors for the benefit of such person in connection with the contract (such as the execution of a subcontract with contractor, beneficial treatment under the contract, or the written or unwritten promise of a gift, favor, or other monetary or non-monetary benefit).
5. Neither the contractor, nor any of its owners, partners, directors, officials or employees or, to the best of its knowledge (after due investigation), its representatives or sub-contractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation or execution of the contract, in contravention of applicable law.
6. Any incorrect, incomplete or false statement made by the contractor's representative as part of this certification shall cause the nullity of the proposed contract and the contractor must

¹ As used herein, the term "contract" is inclusive of any amendments, modifications or extensions.

² For purposes of this certification, a contractor's "owner" shall mean any person or entity with more than a ten percent (10%) ownership interest in the contractor.



reimburse immediately to the Commonwealth any amounts, payments or benefits received from the Commonwealth under the proposed contract.

The above certifications shall be signed under penalty of perjury by the Chief Executive Officer (or equivalent highest rank officer) in the following form:

"I hereby certify under penalty of perjury that the foregoing is complete, true and correct."

By: Ellen Smith
Date: June 30, 2021

Signature: Ellen S. Smith



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