

**COMMONWEALTH OF PUERTO RICO
PUERTO RICO ELECTRIC POWER AUTHORITY**

2019-P00082

PROFESSIONAL SERVICES CONTRACT

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-----APPEAR-----

AS FIRST PARTY: The Puerto Rico Electric Power Authority, hereinafter referred to as "PREPA", a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, represented in this act by its Chief Executive Officer/Executive Director, mister José F. Ortiz Vázquez, of legal age, married, engineer and resident of San Juan, Puerto Rico. -----

AS SECOND PARTY: Mister Carlos R. Taulet Reverón, hereinafter referred to as "Consultant", of legal age, married, professor, and resident of San Juan, Puerto Rico.-----

----Both PREPA and Consultant are herein collectively referred to as the Parties. -----

WITNESSETH

WHEREAS, PREPA, by virtue of its enabling Act No. 83 of May 2, 1941, as amended (Act No. 83), has the authority to engage those professional, technical, and consulting services necessary and convenient to the activities, programs, and operations of PREPA;-----

WHEREAS, Pursuant Section 205(2) (d) of Act No. 83 competitive bidding shall not be necessary when professional or expert services or work are required and PREPA deems it in the best interests of good administration for such works or services to be contracted without such announcements.-----

WHEREAS, PREPA desires to enter into this Contract with the Consultant for the performance of the Services as described herein. -----

WHEREAS, the Consultant states that it is ready, willing, and able to provide the Services described herein pursuant to the terms and conditions set forth herein.-----

NOW THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, PREPA and the Consultant agree as follows: -----

-----TERMS AND CONDITIONS-----

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Article 1. Scope of Services

- 1.1 In accordance with the terms and conditions set forth herein the Consultant shall provide PREPA with professional services to support its personnel on developing, updating and training in the operation and conservation of the electrical system, including welding and any other necessary training services required by PREPA (Services).-----
- 1.2 PREPA will provide Consultant all necessary information to perform the Services and will ensure that the required information is made available to Consultant in a timely manner.-
- 1.3 All Services under this Contract shall be coordinated through the Generation Director or its authorized representative.-----

Article 2. Payment

- 2.1 In accordance with the terms and conditions contained herein, PREPA agrees and Consultant accepts that the maximum amount to be paid under this Contract shall not exceed a cumulative amount of fifty thousand (\$50,000) dollars (Contract Amount). This amount is based on an hourly rate of \$30.00 PREPA certifies that the funds for the payment of Services rendered under this Contract come from budgetary allocations. All disbursements for such payments shall be made from account
- 2.2 The Consultant shall immediately notify PREPA when the billing under the present Contract amounts seventy-five percent (75%) of the Contract Amount. Once this notification has been issued, the Consultant, in coordination with PREPA, will ensure that no services will be rendered in excess of the Contract Amount, except that a written amendment is agreed upon by both Parties. In addition, the Consultant shall present an itemized list of the remaining billable works under the Contract. -----

Article 3. Invoices

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3.1 Contractor shall submit monthly invoices within the first thirty (30) days following the period invoiced that will include a description of the services rendered and the number of hours spent. Each invoice for professional services shall be itemized with a reasonably detailed description of the work performed, the purpose of the task. Invoices must be duly certified by an authorized representative of Contractor.

3.2 PREPA will review the invoices within thirty (30) days of receipt, and if they are in compliance with the requirements set forth in this Contract, it will proceed with payment. Payment is due within 60 days of the receipt of the invoice. PREPA reserves the right to conduct the audits it deems necessary, and it will not be subject to finance charges regarding invoice payments subject to an audit.

3.3 PREPA shall not process invoices that do not include the items below:

- Invoice Number
- A brief description of the project or task to which the services relate.
- A full chronological description of the services performed during the statement period, the name of the professional who performed such services and the hourly rates and the number of hours spent (by date) for each professional.
- Fees, disbursements and total charges during the statement period, fiscal year to- date and since the commencement of the matter.
- The name of PREPA's official that requested your services.

3.4 All invoices submitted by Consultant shall include the following Certification in order to proceed with its payment: -----

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“We certify under penalty of nullity that no public servant of PREPA 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 Contract. The only consideration to be received in exchange for the delivery of goods or for the Services provided is the agreed-upon price that has been negotiated with an authorized representative of the PREPA. The total amount shown on this invoice is true and correct. The Services have been rendered, and no payment has been received.”

Consultant

This is an essential requirement and those invoices without this Certification will not be processed for payment. In order to comply with the certification requirements set forth above, Consultant shall require that subcontractors providing Services also make the certification set forth above in any invoices submitted in connection with the Services. ---

Article 4. Puerto Rico Treasury Department Withholding

4.1 The Consultant is an independent Consultant 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. PREPA will deduct and withhold at the source to the Consultant the equivalent of ten percent (10%) from payment for services rendered under this Contract in compliance with the New Puerto Rico Internal Revenue Code, Law 1-2011, Section 1062.03, as amended. Notwithstanding the aforementioned, the withholding to be done by PREPA as herein stated could be increased to twenty percent (20%) in the event that the Consultant is a non-resident individual, which is a U.S. citizen, as provided by the New Puerto Rico Internal Revenue Code, section 1062.08; or twenty-nine percent (29%) in the event that the Consultant is a non-resident and non U.S. citizen individual; or a foreign corporation or partnership which is not dedicated to industry or business in Puerto Rico, as provided by the

New Puerto Rico Internal Revenue Code, section 1062.08. PREPA shall provide a certificate stating that such tax withholding was collected. -----

If a Release Letter has been issued to the Consultant by the Treasury Department, the Consultant shall be responsible to submit a copy of said Release Letter to PREPA for every calendar year; otherwise, payments under the Contract shall remain subject to withholding at source. All invoices shall be segregated by concepts (services, materials, equipment, etc.), to identify the amounts subject to withholding and avoid undue deductions. -----

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- 4.2 PREPA will deduct and withhold a Special Contribution to Consultant equivalent of one point five percent (1.5%) from payment for Services under this Contract, in compliance with Article 1, Law 48-2013. PREPA shall forward such amounts to the Department Treasury of Puerto Rico and, within thirty (30) days after paying any amount to the Department of Treasure of Puerto Rico, PREPA shall deliver evidence satisfactory to the Consultant of such payments.-----

Article 5. Contract Term

Subject to Article 6, Contract Termination, this Contract shall be in effect from the date of its execution until June 30, 2019. The Contract may be extended, at the exclusive option of PREPA, for two (2) additional annual fiscal periods subject to the availability of funds. -----

Article 6. Contract Termination

- 6.1 PREPA shall have the right to terminate this Contract with thirty (30) days prior written notice to the Consultant. Moreover, PREPA shall have the right to terminate this Contract immediately in the event of negligence, dereliction of duties or noncompliance by the Consultant. In the event that PREPA terminate this Contract, the Consultant shall be entitled solely for the payment of Services performed up to the time of termination.----

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6.2 PREPA shall not pay any fees and expenses when the termination was caused by the Consultant's negligence, dereliction of duties or noncompliance with the terms and conditions of the Contract. -----

6.3 PREPA's right to terminate, cancel or rescind the Contract shall not be understood as a waiver to any other remedy it may have under this Contract or under the law for delays or breach incurred by the Consultant in the performance of its obligations or compliance with its requirements under the Contract.-----

Article 7. Compliance with the Commonwealth of Puerto Rico Contracting Requirements

The Consultant will comply will all applicable State Law, Regulations or Executive Orders that regulate the contracting process and requirements of the Commonwealth of Puerto Rico. Particularly: Act 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., and the Puerto Rico Department of Treasury Circular Letter Number 1300- 16-16. CC Núm. 1300-16-16 (22/01/2016). Available at:<http://www.hacienda.pr.gov/publicaciones/carta-circular-num-1300-16-16>-----

A. Executive Order No. OE-1991-24 of June 18, 1991 to require certification of compliance with the Internal Revenue Services of the Commonwealth of Puerto Rico

Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Consultant will certify and guarantee that it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. The Consultant, further will certify that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Consultant shall provide, to the satisfaction of PREPA, and whenever requested by PREPA during the term of this Contract, the necessary documentation to support its compliance with this clause. The

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Consultant will be given a specific amount of time to produce said documents. During the term of this Contract, the Consultant agrees to pay and/or to remain current with any repayment plan agreed to by the Consultant with the Government of Puerto Rico.-----

B. Executive Order No. OE-1992-52 of August 28, 1992 to require certification of compliance with the Department of Labor of the Commonwealth of Puerto Rico

Pursuant to Executive Order Number 1992-52, dated August 28, 1992 amending OE-1991-24, the Consultant will certify and warrant that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, whichever is applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. The Consultant accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every Consultant and Sub Contractor whose service the Consultant has secured in connection with the services to be rendered under this Contract and shall forward evidence to PREPA as to its compliance with this requirement.-----

C. Social Security and Income Tax Retentions: In compliance with Executive Order 1991 OE- 24; and C.F.R. Part 404 et. seq., the Consultant will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Contract. Executive Order 1991OE24; C.F.R. Part 404 et. Seq.-----

D. Government of Puerto Rico Municipal Tax Collection Center: The Consultant will certify and guarantee that it does not have any current debt with regards to property taxes that may be registered with the Government of Puerto Rico's Municipal Tax Collection Center (known in Spanish as Centro de Recaudación de Ingresos Municipales ("CRIM")). The

Consultant further will certify to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. The Consultant shall provide, to the satisfaction of PREPA and whenever requested by PREPA during the term of this Contract, Certification issued by the Municipal Revenues Collection Center (MRCC), assuring that Consultant does not owe any tax accruing to such governmental agency. To request such Certification, Consultant will use the form issued by the MRCC (called "CRIM-Certificados, Radicación, Estado de Cuenta y Todos los Conceptos" in the website). -----

The Consultant will deliver upon request any documentation requested by PREPA. During the Term of this Contract, the Consultant agrees to pay and/or to remain current with any repayment plan agreed to by the Consultant with the Government of Puerto Rico with regards to its property taxes. 3 L.P.R.A. § 8611 et seq.; 21 L.P.R.A. § 5001 et seq. The Consultant shall provide a Personal Property Tax Filing Certification, issued by the MRCC which indicates that Consultant has filed its Personal Property Tax Return for the last five (5) contributory terms and all concepts Debt Certification issued by the MRCC assuring that Consultant does not owe any taxes to such government agency with respect to real and personal property or Negative Debt certification issued by the MRCC with respect to real and property taxes and a sworn statement executed by Consultant indicating that (i) its revenues are derived from the rendering of professional services, (ii) during the last five (5) years (or the time in which it has been providing professional services) it has had no taxable business or personal property on the 1st of January of each year, (iii) that for such reasons it has not been required to file personal property tax returns, as required under Article 6.03 of

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Act 83-1991, as amended and (iv) that for such reason it does not have an electronic tax file in the MRCC's electronic system.-----

- E. The Consultant shall provide a Puerto Rico Sales and Use Tax Filing Certificate, issued by the Treasury Department of Puerto Rico assuring that Consultant has filed his Puerto Rico Sales and Use Tax for the last sixty (60) contributory periods. A copy of Consultant's Certificate of Merchant's Registration issued by the Treasury Department of Puerto Rico.-----
- F. Puerto Rico Child Support Administration (ASUME): The Consultant shall present, to the satisfaction of PREPA, the necessary documentation certifying that the Consultant nor any of its owners, affiliates of subsidiaries, if applicable, have any debt, outstanding debt, or legal procedures to collect child support payments that may be registered with the Puerto Rico Child Support Administration (known in Spanish as the *Administración Para El Sustento de Menores (ASUME)*). The Consultant will be given a specific amount of time to deliver said documents. -----
- G. Compliance with Act 1 of Governmental Ethics: The Consultant will certify compliance with Act 1-2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which stipulates that no employee or executive of PREPA nor any member of his/he immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Contract, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government.-----

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H. Anti-Corruption Code for a New Puerto Rico. Consultant agrees to comply with the provisions of Act No. 2-2018, as the same may be amended from time to time, which establishes the Anti-Corruption Code for a New Puerto Rico. The Consultant hereby certifies that it does not represent particular interests in cases or matters that imply a conflicts of interest, or of public policy, between the executive agency and the particular interests it represents.-----

Consultant shall furnish a sworn statement to the effect that neither 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 Consultant has been convicted of or has pled guilty to any of the crimes listed in Article 6.8 of Act 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico or any of the crimes included in Act 2-2018.-----

Consultant hereby certifies that it has not been convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3 or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico 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 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----

PREPA shall have the right to terminate the agreement in the event Consultant is convicted in Puerto Rico or United States Federal court for under Articles 4.2, 4.3

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or 5.7 of Act 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes listed in Articles 250 through 266 of Act 146-2012, as amended, known as the Puerto Rico Penal Code, any of the crimes typified in Act 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico 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 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico.-----

I. Certification of Government Agreements: The Consultant hereby certifies that, at the time of execution of this Amendment, it does not have any other agreement with any agency, public corporation, municipality, or instrumentality of the Government of Puerto Rico.-----

J. A copy of Consultant's Merchant's Registration Certificate issued by the Treasury Department of Puerto Rico.-----

K. Rules of Professional Ethics: The Consultant acknowledges and accepts that it is knowledgeable of the rules of ethics of his/her profession and assumes responsibility for his/her own actions. -----

L. Law 168-2000: Law for the Strengthening of the Family Support and Livelihood of Elderly People

The Consultant certify that if there is any Judicial or Administrative Order demanding payment or any economic support regarding Act No. 168-2000, as amended, the same is current and in all aspects in compliance. Act No. 168-2000 "Law for the Strengthening of the Family Support and Livelihood of Elderly People" in Spanish: "Ley para el

Fortalecimiento del Apoyo Familiar y Sustento de Personas de Edad Avanzada”, 3
L.P.R.A. §8611 et seq. This provision applies to professional and consulting services.---

M. Prohibition with respect to execution by public officers: (3 L.P.R.A. 8615(c))-----

No public officer or employee authorized to contract on behalf of the executive agency for which he/she works may execute a contract between the agency for which he/she works and an entity or business in which he/she or any member of his/her family unit has or has had direct or indirect economic interest during the last four (4) years prior to his/her holding office. -----

N. Prohibition with respect to contracting with officers or employees: (3 L.P.R.A. 8615(d))---

No executive agency may execute a contract in which any of its officers or employees or any member of their family units has or has had direct or indirect economic interest during the last four (4) years prior to their holding office, unless the Governor gives authorization thereto with the previous recommendation of the Secretary of the Treasury and the Secretary of Justice. -----

O. Prohibition with respect to contracts with officers and employees of other Government entities: (3 L.P.R.A. 8615(e))-----

No public officer or employee may be a party to or have any interest in any profits or benefits produced by a contract with any other executive agency or government dependency unless the Governor gives express authorization thereto with previous recommendation from the Secretary of the Treasury and the Secretary of Justice.-----

P. Prohibition with respect to evaluation and approval by public officers:
(3 L.P.R.A. 8615(f)) -----

No public officer or employee who has the power to approve or authorize contracts shall evaluate, consider, approve or authorize any contract between an executive agency and an entity or business in which he/she or any member of his/her family unit has or has

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had direct or indirect economic interest during the last four (4) years prior to his/her holding office.-----

Q. Prohibition with respect to execution by public officers contracts with former public officers: (3 L.P.R.A. 8615(h))-----

No executive agency shall execute contracts with or for the benefit of persons who have been public officers or employees of said executive agency until after two (2) years have elapsed from the time said person has ceased working as such.-----

R. The demand to comply with the obligations of either party under this Contract will be subject to the filing of the Contract by PREPA at the Office of the Comptroller of the Commonwealth of Puerto Rico, in compliance with Act No. 18 of October 30, 1975, as amended. Consultant shall not request any payment for the Services under this Contract until the Contract has been registered by PREPA at the Office of the Comptroller of Puerto Rico as established in Act 18-1975, as amended. Payment for Services object of this Contract will not be made until this Contract is properly registered in the Office of the Comptroller of the Commonwealth of Puerto Rico. -----

S. Dispensation

Any and all necessary dispensations have been obtained from any government entity and that said dispensations shall become part of the contracting record. -----

Article 8. Responsibility for Damages

The appearing Parties agree that their responsibilities for damages under this Contract will be governed by the Puerto Rico Civil Code and its case law, as dictated by the Supreme Court of Puerto Rico. In no event shall the Contractor be liable for consequential, special, indirect, incidental, punitive, or exemplary loss, damage, or expense (including, without limitation, loss profit and opportunity cost), relating to this

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Contract. In circumstances where all or any portion of the provisions of this paragraph is finally judicially determine to be unavailable, the aggregate liability of the Contractor for any claim shall not exceed and amount which is proportional to the relative fault that is conduct bears to all other conduct giving rise to such claim. -----

Article 9. Independent Consultant

9.1 Consultant shall be considered as an independent Consultant, for all material purposes under this Contract, and all persons engaged or contracted by Consultant for the performance of its obligations herein, shall be considered as its employees or agents, and not as employees or agents of PREPA. -----

9.2 As an independent Consultant, Consultant shall not be entitled to any fringe benefits, such as, but not limited to vacation, sick leave, and to which PREPA's employees are entitled. -----

Article 10. Warranty

10.1 Consultant warrants that it shall perform the Services in accordance with the applicable standards of care and diligence at the time of performance of the Services, and which are normally practiced and recognized in performing services of a similar nature (the "Standard"). Should any of the Services provided by Consultant not fulfill the above established Standard, Consultant shall take all necessary corrective measures to rectify such deficient Services, at its own and exclusive cost, whenever such course of action is possible or desirable. The rectification of deficient Services by Consultant shall not be understood as a waiver by PREPA to any other remedy it may have under this Contract or under the law or equity for any damages that Consultant's may have caused to it by rendering such deficient Services.-----

Article 11. Information Disclosure and Confidentiality

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11.1 The Parties shall take all reasonable steps to keep confidential and use only for the purposes contemplated by the terms of the Contract the information provided by PREPA and/or Consultant, and take all reasonable steps to ensure that such information is not disclosed or distributed by its employees or agents in violation of the terms of this Contract. -----

11.2 The Parties also agree that, except as agreed to in writing by both Parties, they will not, at any time after termination of this Contract, disclose any confidential information to any person whatsoever, or permit any person whatsoever to examine and/or make copies of any reports prepared by Consultant or under its control by reason of its consulting services, and that upon termination of this Contract each party will turn over to the other all documents, papers, and other matters in its possession or under its control that relate to the other party. Consultant may retain one file copy for its records. -----

11.3 The term "confidential information" shall include, but not be limited to, all information provided to Consultant by PREPA or at PREPA's direction regarding its facilities or operations and any and all information gathered or developed by Consultant regarding the same. The Parties further agree that proprietary records and documents related to Consultant's business operations are confidential to Consultant, and will not be disclosed to PREPA or other Parties, except as ordered by the court. The term "confidential information", however, will not include information that: -----

- (i) is or becomes public other than through a breach of this Contract;
- (ii) is known to the receiving party prior to the date of this Contract and with respect to which the receiving party does not have any obligation of confidentiality; or

(iii) is independently developed by the receiving party without use of, or reference to, confidential information.

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11.4 The Parties acknowledge that disclosure of any confidential information by either party will give rise to irreparable harm to the injured party inadequately compensable in damages. Accordingly, either party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies, which may be available.-----

11.5 If this Contract terminates for any reason, Consultant shall maintain in strictest confidence both; during the term of this Contract and subsequent to termination of this Contract, and shall not during the term of this Contract or thereafter disclose or divulge to any person, firm, or corporation, or use directly or indirectly, for its own benefit or the benefit of others, any information which in good faith and good conscience ought to be treated as confidential information including, without limitation, information relating to PREPA's operations or trade secrets relating to the business or affairs of PREPA which Consultant may acquire or develop in connection with or as a result of the performance of the Services hereunder. In the event of an actual or threatened breach by Consultant of the provisions of this paragraph, PREPA shall be entitled to injunctive relief for such breach. Nothing herein shall be construed as prohibiting PREPA from pursuing any other legal remedies available, including the recovery of damages from Consultant.-----

11.6 The above provisions do not apply with respect to information, which Consultant is requested to disclose under applicable law and regulations, court order, subpoena or governmental directives, in which case Consultant shall provide PREPA prompt notice of such request in order to procure for PREPA a reasonable opportunity to oppose such disclosure. Consultant agrees to expeditiously notify and submit to PREPA a copy of

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any court order or subpoena and to the extent possible provide any assistance to PREPA (in the form of documents) regarding the submission of such information.-----

11.7 With respect to this Contract and any information supplied in connection with this Contract and designated by the disclosing party as confidential, the recipient agrees to: (i) protect the confidential information in a reasonable and appropriate manner and in accordance with applicable professional standards; (ii) use confidential information only to perform its obligations under this Contract; and (iii) reproduce confidential information only as required to perform its obligations under this Contract.-----

Article 12. Rights and Titles

12.1 If applicable all rights, titles and interest in any reports, documents, analyses, investigations and any other by-product conceived or developed by the Consultant exclusively for PREPA as a result of performing its obligations under this Contract shall be the exclusive property of PREPA. The Consultant shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract. With the exception of items marked as "CONFIDENTIAL" by the Consultant, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any reports, documents, analyses, investigations or any other by product of the Services performed by the Consultant under this Contract.-----

12.2 Consultant shall retain all right, title, and interest in and to proprietary works of authorship, pre-existing or otherwise, that have not been created specifically for PREPA under this Contract. -----

12.3 If applicable, PREPA shall retain the right to use, refer, share, or provide to any third party, as PREPA may determine, the results of any study, report, investigation or any

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other by-product of the Services performed by Consultant under this Contract provided that such use, reference or sharing with third Parties will be done at the sole risk of PREPA and without any liability to Consultant. PREPA shall also retain the right to coordinate the performance of said studies, reports or investigations in those situations where the performance of said studies, reports or investigations may be required by any other of PREPA's Consultants and may include the same objective or scope.-----

Article 13. Conflict of Interest

- 13.1 Consultant certifies that none of its representatives under this Contract receive payment or compensation of any nature, for the services regularly rendered through an appointment in another government agency, body, public corporation or municipality of Puerto Rico. Consultant also certifies that it may have other consulting services contracts with other governmental agencies or bodies, but such condition does not constitute a conflict of interest for Consultant. -----
- 13.2 Consultant acknowledges that in executing the consulting services pursuant to this Contract it has a duty of complete loyalty towards PREPA which includes not having adverse interests to those of PREPA related to the Services. Those adverse interests include representation of clients which have or may have opposed interests to those of PREPA in relation to the Services. Also, Consultant shall have the continuous obligation to disclose to PREPA all information and circumstances of its relations with clients and third persons and any interest which could reasonably influence PREPA when executing this Contract or during its term. -----
- 13.3 In the event that any of the partners, directors, agents or employees of Consultant engaged in providing services under this Contract should incur in the conduct described herein, said conduct shall constitute a violation of the prohibitions provided herein.-----

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13.4 Consultant acknowledges that the Chief Executive Officer of PREPA shall have the power to intervene with the acts of Consultant and/or its agents, employees, and subcontractors regarding the enforcement of the prohibitions contained herein. In the event that the existence of adverse interests is discovered, the Chief Executive Officer shall inform Consultant in writing of PREPA's intention to terminate this Contract within a thirty (30) day period. During said period, Consultant may request a hearing with the Chief Executive Officer to present its arguments regarding the alleged conflict of interests. In the event that Consultant does not request such hearing during the specified thirty (30) day period or the controversy is not satisfactory settled during the hearing, this Contract shall be canceled.-----

Article 14. Notices

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or sent by telecopy, or postage prepaid, by registered, certified or express mail (return receipt requested) or reputable overnight courier service and shall be deemed given when so delivered by hand, or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service) to the Parties to the following addresses:-----

To PREPA:	Puerto Rico Electric Power Authority PO Box 364267 San Juan, Puerto Rico 00936-4267
Attention:	José F. Ortiz Vázquez Chief Executive Officer
To Consultant:	Carlos R. Taulet Reverón

Article 15. Governing Law

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This Contract shall be governed by and construed in accordance with the laws of the Government of Puerto Rico and any federal law and/or regulation if applicable. Also, the Parties expressly agree that the Courts of Puerto Rico will be the courts to decide over the judicial controversies that the appearing Parties may have among them regarding the terms and conditions of this Contract.-----

Article 16. Change in Law

During the Term of this Contract, any change in law, including, but not limited to, changes in applicable tax law, which causes an increase in Consultant's costs when providing the Services to be acquired by PREPA, shall be Consultant's responsibility, and PREPA shall not be obliged to increase the Contract Amount.-----

17. Force Majeure

17.1 The Parties shall be excused from performing their respective responsibilities and obligations under this Contract and shall not be liable in damages or otherwise, if and only to the extent that they are unable to perform, or are prevented from performing by a force majeure event. -----

17.2 For purposes of this Contract, force majeure means any cause without the fault or negligence, and beyond the reasonable control of, the party claiming the occurrence of a force majeure event.-----

17.3 Force majeure may include, but not be limited to, the following: Acts of God, industrial disturbances, acts of the public enemy, war, blockages, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil disturbances, lockouts, fires, explosions, interruptions of services due to the acts or failure to act of any governmental authority; provided that these events, or any other claimed as a force majeure event, and/or its

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effects, are beyond the reasonable control and without the fault or negligence of the party claiming the force majeure event, and that such party, within ten (10) days after the occurrence of the alleged force majeure, gives the other party written notice describing the particulars of the occurrence and its estimated duration. The burden of proof as to whether a force majeure event has occurred shall be on the party claiming the force majeure. -----

Article 18. Novation

18.1 The Parties expressly agree that no amendment or change order, which could be made to the Contract during its Term, shall be understood as a contractual novation, unless both Parties agree to the contrary, specifically and in writing.-----

18.2 The previous provision shall be equally applicable in such other cases where PREPA gives Consultant a time extension for the compliance of any of its obligations under this Contract, or where PREPA dispenses the claim or demand of any of its credits or rights under the Contract. -----

Article 19. Contract Assignment

The Consultant shall not assign nor subcontract its rights and obligations under this Contract, except in the event PREPA give written authorization for such actions. Provided, that no subcontract shall be considered for PREPA's approval, except when the following requirements are met: (1) the Consultant delivers to PREPA a copy of the subcontract, not less than thirty (30) days prior to the effective date of the proposed subcontract; (2) the subcontract includes, as a condition for its legal validity and enforceability, a provision whereby PREPA has the right to substitute, subrogate or assume Consultants' rights under the subcontract, in the event that PREPA declares the Consultant in breach or default of any of the Contract terms and conditions; and (3) the subcontract includes, as a condition for its validity and enforceability, a

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provision establishing for the subcontractor the obligation to comply with all Consultants' obligations under the Contract (*mirror image clause*), except for such obligations, terms and conditions which exclusively related with works or services not included under the subcontract. A request to subcontract shall specify the issues or matters that will be referred to the subcontractor. These services shall be paid as part of the Contract Amount. -----

Article 20. Separability

If a court of competent jurisdiction declares any of the Contract provisions as null and void or invalid, such holding will not affect the validity and effectiveness of the remaining provisions of this Contract and the Parties agree to comply with their respective obligations under such provisions not included in the judicial declaration.-----

Article 21. Insurance

The Consultant shall secure and maintain, in full force and effect during the life of this Contract as provided herein, policies of insurance covering all operations engaged in by the Contract, as follows:

A. Automobile Liability Insurance

The Consultant shall provide an Automobile Liability Insurance with limits of \$100,000 in bodily injury per person, \$300,000 in bodily injury per accident and \$100,000 in property damage per accident.

The Automobile Liability Insurance required under this contract, shall be endorsed to include:

a. As Additional Insured:

Puerto Rico Electric Power Authority (PREPA)
P O Box 364267
San Juan, PR 00936-4267

b. A 30 day cancelation or nonrenewable notice to be sent to the above address.

B. Furnishing of Policies

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All required policies of insurance shall be in a form acceptable to PREPA and shall be issued only by insurance companies authorized to do business in Puerto Rico. The Contractor shall furnish a certificate of insurance in original signed by an authorized representative of the insurer in Puerto Rico, describing the coverage afforded.

Article 22. Copyright

Consultant shall defend any suit or action brought against either party based on a claim that any document, report, study, analysis, copyrighted composition, article or any by-product of those, either used in the performance of the Services by Consultant or provided to PREPA by Consultant as part of its Services, or used in the performance of this Contract, including their use by PREPA, constitutes an infringement of any patents or copyrights of the United States. PREPA shall promptly notify in writing Consultant of any claim or potential claim and give Consultant the authority, information, and assistance reasonable and necessary for the defense of such claim. In the event a court of competent jurisdiction finds that Consultant have infringed a copyrighted or patented material used in the performance of this Contract, Consultant shall pay damages and costs awarded therein against the other non-infringing Party that arise solely due to errors or omissions by Consultant.-----

Article 23. Interagency Services Clause

Both contracting parties acknowledge and accept that the contracted services may be rendered to any entity of the Executive Branch with which the contracting entity enters into an interagency Contract with or as determined by the office of the Chief of Staff. These services shall be rendered under the same terms and conditions with respect to work hours and compensation, as set forth in this Contract. For purposes of this provision, the term "entity of the Executive

Branch" includes all agencies of the Government of Puerto Rico as well as all instrumentalities and public corporations.-----

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Article 24. Termination Clause Required under Section XI of Joint Memorandum 2017-001 of the Governor's Chief of Staff and the Office of Management and Budget

The office of the Chief of Staff shall have the authority to terminate this Contract at any time.

Article 25. Counterparts

This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Article 26. Entire Contract

Subject to any additional Federal or Commonwealth requirements not specified herein, this Contract and its attachments, (and any executed amendments to either), constitutes the entire Contract between the Parties and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof. This Contract will inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. -----

---This is the Agreement between the appearing Parties under this Contract and so is hereby ratified. -----

IN WITNESS THEREOF, the Parties hereto sign this Contract in San Juan, Puerto Rico this

15 date of March of 2019. -----



José F. Ortiz Vázquez
Chief Executive Officer
Employer Social Security



Carlos R. Taulet Reverón
Consultant
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