

- (3) A clear, detailed scope of the work and activities included in the contract.
- (4) A total budget associated with the described scope, provided that PREPA may seek from the Commission a modification of this requirement in extraordinary circumstances.
- (5) An estimated spending schedule associated with the described scope and budget, with both monthly spending estimates and clear and objective milestones.¹⁶ Spending schedules must include spending estimates associated with those milestones.
- (6) A schedule of all labor, material, and/or service rates associated with the contract.
- (7) A scope and budget amendment process, which shall include a requirement to provide advanced notice, with no less than 30 calendar days in advance, to the Commission, of any proposed amendment to the contract scope, budget and amount, provided PREPA may seek an exception to the 30-day requirement (but not to the advance notice requirement) in extraordinary circumstances.
- (8) Require invoices to be submitted to PREPA on, at least, a monthly basis in electronic format. Invoices must contain the amount invoiced under the contract since the last invoice and the total amount invoiced since the contract's execution, as well as a description of the work completed and being invoiced and the total amount of contract funds remaining after deducting the amount included in the most recent invoice.
- (9) A requirement wherein PREPA's contractor must submit, 10 calendar days in advance of a new month, monthly budget updates, with milestones accomplished and estimated spending and work to be completed in the upcoming month.
- (10) A clear description of performance guarantees in the contract, including a requirement that work performed under the contract will conform to all applicable legal and regulatory requirements. Contracts must include a certification from the contractor that they are aware of all legal and regulatory requirements and that, except for unforeseen or extraordinary circumstances, the contracted budget is sufficient to meet these requirements.
- (11) A clear description of risk-sharing provisions, including provisions describing the allocation of responsibility for costs between PREPA and PREPA's contractor in the event of error on PREPA's part, error on the part of PREPA's counterparty, shared error, and the occasion of circumstances beyond the control of PREPA and PREPA's counterparty.

¹⁶ In the case of contracts for energy, grid services, and fuel, "milestones" means delivery of such energy, grid services, or fuel. The requirement for spending estimates associated with delivery of milestones does not apply to such contracts. However, the schedule of labor, material, and/or service rates must include a rate for the delivery of energy (in MWh), capacity (in MW), fuel (in MMBTU and physical units), or other services (in the appropriate units).