

**COMMONWEALTH PLAN OF ADJUSTMENT  
PENSION BENEFITS COUNCIL CORP**

**2024-000003**

**PROFESIONAL SERVICES CONTRACT**

-----**APPEAR**-----

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--- **FIRST PARTY:** The Commonwealth Plan of Adjustment Pension Benefits Council Corp., (the "Benefits Council"), a non-profit corporation organized under the laws of the Commonwealth of Puerto Rico, with registration number 486630, represented in this act by Carmen H. Núñez Rodríguez, of legal age, President of the Benefits Council, single and resident of San Juan, Puerto Rico, hereinafter referred to as the "**BENEFITS COUNCIL**". -----

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--- **THE SECOND PARTY:** Marchand ICS Group, a corporation organized under the laws of the Commonwealth of Puerto Rico, with registration number 89673, represented in this act by his President, Jorge E. Marchand Sifre, of legal age, single and resident of San Juan, hereinafter referred to as the "**CONTRACTOR**". -----

---The appearing **PARTIES** guarantee that they have the legal power for this agreement in the capacity that they claim to hold above, committing to accredit such power and capacity where and when necessary. -----

-----**LEGAL BASE**-----

----- On January eighteen (18), two thousand twenty-two (2022), the United States District Court for the District of Puerto Rico, in Civil Case No. 17-BK-3283 (the "Title III Case of the Commonwealth) issued an order (Docket No. 19813), approving and confirming the terms of the Eighth Amended Plan of Adjustment under Title III of the Commonwealth of Puerto Rico, et al., dated January fourteen (14), two thousand twenty-two (2022) (Docket No. 19784) (the "Plan"). The Plan incorporates certain documents presented as part of a Plan Supplement (Docket No. 20353) that includes the Deed of Trust creating the Pension Reserve Fund and the "Guidelines for the Governance and Administration of the Puerto

Rico Plan of Adjustment Pension Reserve Trust and Monitoring of Plan of Adjustment Pension Benefits" (hereinafter the "GUIDES"). -----

-----**PURPOSE**-----

---As part of the agreements between representatives from retirees and active public employees and the Fiscal Oversight Board, a Pension Reserve Trust (hereinafter the "Trust") was established that will assist the Commonwealth of Puerto Rico in the payment of pensions. This reserve fund will receive contributions from the Government for 10 years, based on a formula established in the Plan of Adjustment. -----

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---The **BENEFITS COUNCIL** is regulated by the Guidelines and a Deed of Trust that establishes certain disclosure requirements on deposits and withdrawals to the Pension Reserve Trust, including annual reports, budget, and general disclosures to retirees and active employees who will benefit from the Trust. -----

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---In addition, on or around October 1, 2023, an election process will be held to elect six of the nine members of the Benefits Council for a term of 4 years. In this election process, certain active and retired employees of the Government of Puerto Rico will have the right to vote. -----

---The **CONTRACTOR** has the necessary resources, knowledge, and experience to provide the services to the **BENEFITS COUNCIL** subject to the following: -----

-----**CLAUSES AND CONDITIONS**-----

---**FIRST: SERVICES:** -----

----**A.** The **CONTRACTOR** will provide general advice, prepare materials and content on communications regarding: -----

-----i. The status of the establishment of the **BENEFITS COUNCIL.** -----

-----ii. Report on the deposits in the Trust. -----

-----iii. Annual reports for the **BENEFITS COUNCIL.** -----

-----iv. Preparation of materials, content, and disclosures of interest about the **BENEFITS COUNCIL** for retirees from – the Employee Retirement System, the Teachers



Retirement System and the Judiciary Retirement System and active employees who will benefit from the Pension Reserve Trust. -----

-----v. Represent the **BENEFITS COUNCIL** in communications with reporters, media outlets, prepare press releases and media content. -----

---B. Education and disclosure program on the election process for the beneficiaries of the Pension Reserve Trust, including preparation of multiple informative content, coordination of presentations, talks and assemblies for active and retired employees with the right to vote. -----

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---C. Work with the Election Administrator (independent vendor with experience in conducting elections) and assist in the process of making the necessary disclosures from the Benefits Council as part of the election process. -----

---D. Maintenance of the website and social networks for the **BENEFITS COUNCIL**. ----

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---E. Other services that are requested and are related to the field of communications and are included in the service proposal included as **Exhibit A**. -----

----F. The **CONTRACTOR** submitted to the **BENEFITS COUNCIL** a proposal for services and the same is incorporated by reference and made part of this Contract with all its representations, disclosures, and description of the services to be provided, as **Exhibit A**. All professional services contracted in this document will be performed upon request or authorization from the **BENEFITS COUNCIL**. -----

---**SECOND: FEES:** -----

---- The total amount of compensation to be paid by the **BENEFITS COUNCIL** to the **CONTRACTOR** for reimbursable services and expenses for fiscal year 2023-2024 shall not exceed **THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$370,000.00)**. The services shall be invoiced in three categories: -----

-----**(A)** "Administrative Budget - General" – related to all non-election communication services as established under letters **A, D** and **E** of the First Clause. The "Administrative Budget – General" services shall have a cap for fiscal year 2023-2024 of **THIRTY-FIVE THOUSAND DOLLARS (\$35,000.00)** divided in the following categories:



"Communications Agent" – **TWENTY-ONE THOUSAND DOLLARS (\$21,000.00)** and IT/Digital Platforms – **FOURTEEN THOUSAND DOLLARS (\$14,000.00)**. -----

-----**(B)** "Election Costs" – related to the services provided in connection with the election of members to the **BENEFITS COUNCIL** as described under letters **B** and **C** of the First Clause. The "Election Costs" shall have a cap for fiscal year 2023-2024 of **THREE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS (\$328,000.00)** divided in the following categories: "Fees Communications Agent" – **ONE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$132,000.00)** and "Expenses of Communications Agent; expenses related to the election process - **ONE HUNDRED NINETY-SIX THOUSAND DOLLARS (\$196,000.00)**. -----

-----**(C)** "Establishment of the Pension Benefits Council" – any pending work regarding the development of the corporate identity or the website, communication with retirees and active participants regarding the Pension Reserve Fund and the **BENEFITS COUNCIL** and any other service requested by the **BENEFITS COUNCIL** regarding the establishment of the entity. The "Establishment of the Pension Benefits Council" – shall have a cap for fiscal year 2023-2024 of **SEVEN THOUSAND DOLLARS (\$7,000.00)**. ---

----- If the **CONTRACTOR** anticipates that the invoicing may exceed the budget of the Contract and has pending work to be performed, it will inform the **BENEFITS COUNCIL** in writing in order for a determination to be made. -----

----- If the **BENEFITS COUNCIL** determines to modify its budget, with the result that the amounts available to pay for the services covered by this Contract are reduced, it shall notify the **CONTRACTOR** in writing of such determination and said new amount available shall be the maximum amount of the Contract. As a result, the **CONTRACTOR** may submit to the **BENEFITS COUNCIL** a proposal for the reduction of the services described in this Contract, and if the **BENEFITS COUNCIL** accepts such proposal, the **PARTIES** must sign an amendment to this Contract formalizing the changes. If the **BENEFITS COUNCIL** does not accept the **CONTRACTOR's** proposal, the **BENEFITS COUNCIL** expressly acknowledges that the **CONTRACTOR** may terminate the Contract and the **BENEFITS COUNCIL** must pay the **CONTRACTOR** the amount accrued until the date of cancellation. -----



-----The **CONTRACTOR** expressly acknowledges that if no funds are available or are allocated for the payment of the contracted services, the Contract will be terminated with no other right than to collect what has already been worked. -----

-----The amounts to be paid to the **CONTRACTOR** shall be charged to the budget item or account number 030261422 or any other budget item or account determined by the **BENEFITS COUNCIL**. The **CONTRACTOR** shall submit to the **BENEFITS COUNCIL** during the first twenty (20) days of the month following the billing month, a duly certified invoice specifying in detail the matters attended to and the time devoted to them. -----

-----The **BENEFITS COUNCIL** or its authorized representative will review the fee statements in detail and, if found to be correct, will approve and process them for payment. The **BENEFITS COUNCIL** reserves the right to review the correctness of the invoices and to carry out the audits it deems appropriate related to the services provided under the Contract. -----

-----Every invoice must include a certification that will indicate as follows: -----

----- "Under penalty of absolute nullity, I certify that no member of the **BENEFITS COUNCIL** is a party to or has any interest in the profits or benefits resulting from the contract that is the subject of this invoice and to be a party to or have an interest in the benefits resulting from the contract there has been a prior waiver. The only consideration for supplying the goods or services covered by the contract has been the payment agreed upon with the **BENEFITS COUNCIL**. The amount of this invoice is fair and correct. The services have been provided and they have not been paid for." -----

-----The **BENEFITS COUNCIL** will notify the Treasury Department of the amount paid per calendar year to the **CONTRACTOR** for the services rendered. The **BENEFITS COUNCIL** will deduct and withhold 10% in accordance with the Internal Revenue Code for a New Puerto Rico or Code, Law 1-2011, as amended. If this percentage is amended by law, the **CONTRACTOR** will be notified, and the corresponding adjustment will be made. However, the **CONTRACTOR** may submit the corresponding release, in which case the withholding will be that indicated in the release. -----

---**THIRD: CONFLICT OF INTEREST AND RESPONSABILITIES:** -----

-----The **CONTRACTOR** will provide the contracted services in accordance with the best practices and ethical canons of his profession and assume responsibility for his actions.

-----The **CONTRACTOR** certifies that he is not aware of any matter or relationship as of the effective date of this Contract that constitutes a conflict of interest. In addition, the **CONTRACTOR** acknowledges that in the discharge of his professional function he has a duty of complete loyalty and a fiduciary obligation towards the **BENEFITS COUNCIL**, which includes not having adverse interests to the **BENEFITS COUNCIL**. This duty also includes the continuous obligation to disclose to the **BENEFITS COUNCIL** all the circumstances of its relationships with clients and third parties and any interest that could influence the **BENEFITS COUNCIL** at the time of awarding the Contract or during its term. The **CONTRACTOR** agrees that in the event that the **BENEFITS COUNCIL** determines that such a conflict exists, the Agreement will be terminated immediately, with subsequent written notice to the **CONTRACTOR** with the reasons for the termination. ---

-----The **CONTRACTOR** represents conflicting interests when, for the benefit of a client, it is his duty to promote what he must oppose in compliance with his obligations to another previous, current or potential client. He also represents conflicting interests when his conduct is described as such in the ethical standards recognized for his profession, or in the laws and regulations of the Commonwealth of Puerto Rico. -----

----- **CONTRACTS WITH THE GOVERNMENT:** At the time of the signing of this Contract, the **CONTRACTOR** certifies that it maintains no contract with the Government of the Commonwealth Puerto. In addition, the **CONTRACTOR** acknowledges and agrees that failure to mention any government entity with which it has a current contractual relationship may result in the termination of this Contract if determined by the **BENEFITS COUNCIL**. -----

---**FOURTH: ETHICS:** -----

----- The **CONTRACTOR** certifies that no member of the **BENEFITS COUNCIL** or any member of their family unit, partner, relative or person who shares their residence, has any direct or indirect pecuniary interest in the benefits resulting from this Contract. -----



----- Pursuant to Section 4.5 of the **GUIDELINES**, any person or organization that has made any contribution in cash or in kind to a candidate or member of the **BENEFITS COUNCIL** will not be eligible to be hired as a professional for five years from the date of such contribution. The **CONTRACTOR** certifies that it has not made any contribution in cash or in kind to any member of the **BENEFITS COUNCIL**. -----

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----- The **CONTRACTOR** certifies that it will comply with the Code of Ethics for Supplier Contractors and Applicants for Economic Incentives of the Government of Puerto Rico. At the same time, it certifies that it will comply with any law or regulation that is applicable to this Contract. He also certifies that he knows the ethical standards of his profession and assumes responsibility for any action contrary to such standards. -----

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----- The **PARTIES** recognize the following rules and guarantee their compliance in this Contract: -----

-----That the **BENEFITS COUNCIL** may not enter into a contract in which any of its members or any member of their family units has or has had a monetary interest during the last four (4) years before taking office, either directly or indirectly. -----

----- That the **BENEFITS COUNCIL** may not authorize a contract with a private person or knowing that this person in turn is representing private interests in cases or matters that involve conflicts of interest with the **BENEFITS COUNCIL**. -----

--- **FIFTH: TAX RESPONSIBILITY, CERTIFICATIONS AND DOCUMENTS:** The **CONTRACTOR** certifies and guarantees: -----

----- **A.** That at the time of executing this Contract, they have filed income tax, property and sales and use tax returns (if applicable) during the past five (5) years. -----

----- **B.** That he has no tax debts of any kind with the Commonwealth of Puerto Rico, for which he certifies that he does not owe income tax, sales or use taxes, personal and real property taxes, insurance payments for unemployment, temporary disability, Social Security for drivers, or by way of child support withholding or who is covered by a payment plan. If you are included in a payment plan, you certify that you are in compliance with the terms and conditions of said plan. -----

----- **C.** The **CONTRACTOR** has submitted to the **BENEFITS COUNCIL** its Single Supplier Certificate (RUP) from the General Services Administration, which is made part of this Contract as Annex B, and the **CONTRACTOR** agrees to maintain the current certification at all times, as a payment condition. -----

----- **D.** That it is not in breach of Law 168-2000, as amended, better known as the "Law to Strengthen Family Support and Support for the Elderly". -----

----- **E.** That the municipal patent has been paid according to the volume of business, as required by the applicable legal provisions. -----

----- **F.** That he has an insurance policy issued by the State Insurance Fund Corporation, as established by Law No. 45 of April 18, 1935, as amended, known as the "Law of the Compensation System for Work Accidents. -----

----- **G.** That he certifies, under penalty of perjury, that he has not been convicted of any of the crimes indicated in Law 2-2018, known as the "Anti-Corruption Code for New Puerto Rico", as defined in the current Penal Code and that he is not He has pleaded guilty to none of these crimes. Also, certifies that he is not aware of being investigated for the crimes indicated in Law 2-2018, as amended. -----

----- **H.** Certifies by signing this Contract as indicated in article 5(ñ) of Law 237-2004, as amended, that he has not been convicted of crimes against public integrity as defined in the Penal Code or embezzlement of public funds and who has not pleaded guilty to this type of crime in the Courts of the Commonwealth of Puerto Rico, or of the same crimes as typified in the courts of any other jurisdiction of the United States of America. Certifies by signing this Contract that he has not been convicted of any of the crimes as indicated in the previous number in any other country as typified or worked in his place of origin. If you are guilty of any of the aforementioned crimes, this Agreement will be terminated immediately. -----

----- **I.** That during the term of the Contract, all personnel who represent the **BENEFITS COUNCIL** in any forum or for any of the procedures of this Contract are duly authorized and licensed in their profession. The **CONTRACTOR** certifies that said personnel is not



under investigation by the Court or corresponding entity that accredits it and that their license or permit has not been revoked or suspended. -----

---- J. The **CONTRACTOR** acknowledges that the veracity of the certifications established in subsections (G) and (H) of this Clause are an essential condition of this Contract and that their defect will be sufficient cause for the **BENEFITS COUNCIL** to nullify the Contract and recover to the **CONTRACTOR** any sum of money disbursed for services rendered under the Contract. If, during the term of the Contract, the **CONTRACTOR** incurs in any of the disqualifying causes established in these paragraphs (G) and (H) above, the **CONTRACTOR** must notify it immediately and the Contract will be terminated immediately, but without the penalty of recovery. -----

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----K. The **CONTRACTOR** expressly acknowledges that strict compliance with its obligations as established in this clause is an essential and continuous condition during the term of this Contract and if any certification, assertion or statement is not correct in whole or in part, this will be sufficient cause for the **BENEFITS COUNCIL** to terminate it immediately. -----

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---**SIXTH: SUBCONTRACTING:** -----

---- The **CONTRACTOR** may not subcontract the services covered by this Contract nor may it hire experts or other persons without the prior written consent of the **BENEFITS COUNCIL**. The request to hire a consultant the **CONTRACTOR** must specify the issues or cases in which the consultant will intervene, and the amount of their fees. -----

---**SEVENTH: INDEPENDENT CONTRACTOR:** -----

---- The contractual relationship established herein is that of an independent contractor and does not make the **CONTRACTOR**, its officer, agent, representative or staff, employees of the **BENEFITS COUNCIL**. They will not acquire rights or any other benefits of the employee-employer relationship that are usually extended to the employees of the **BENEFITS COUNCIL**. Neither is any of the **CONTRACTOR's** employees granted the marginal rights and benefits that the applicable laws provide for the employees of the **BENEFITS COUNCIL**. -----

--- **EIGHTH: CONTRACT TERMINATION:** -----

----The **BENEFITS COUNCIL** may terminate this Agreement at any time by letter or any written notice, including email addressed to the **CONTRACTOR** thirty (30) days in advance. In addition, the **BENEFITS COUNCIL** may terminate immediately this agreement: (a) under the provisions of this Contract; (b) the **CONTRACTOR** incurs in negligence, abandonment or breach of his duties, as well as improper conduct, which is not promptly remedied (when possible), and the **CONTRACTOR** receives the notification from the **BENEFITS COUNCIL**; (d) when the **BENEFITS COUNCIL** understands that there is an extraordinary fiscal situation that warrants an immediate cut in expenses. ---

---- The **CONTRACTOR** may terminate the Contract by giving written notice to the **BENEFITS COUNCIL** with thirty (30) days in advance of said cancellation. -----

---- At the date of notification to terminate of the Contract, the **CONTRACTOR** shall not be entitled to any additional compensation, except for the work performed until the date of cancellation, if it complies with the terms of the Contract. -----

--- **NINTH: ADITIONAL CLAUSES:** -----

----**A. CONFIDENTIALITY:** The **CONTRACTOR** acknowledges the confidentiality of all non-public information or documentation that becomes known in the course of the tasks entrusted to it under this Contract. The **CONTRACTOR** may not disclose, publish, distribute or in any way use information from the **BENEFITS COUNCIL** without prior written authorization. Violation of this subsection will result in the Contract being terminated immediately, apart from any legal actions that may arise from such breach. --

----**B. INTELLECTUAL PROPERTY:** The **CONTRACTOR** acknowledges that any document, writing, recommendation, or report produced under this Agreement shall be licensed in perpetuity to the **BENEFITS COUNCIL**. -----

----**C. DAMAGES AND TORTS:** The **BENEFITS COUNCIL** will not be responsible for the acts or omissions of the **CONTRACTOR** that cause damages to third parties, in the performance of the agreed services. The **CONTRACTOR** agrees to release the **BENEFITS COUNCIL** from liability for third-party claims and to pay expenses, costs and



attorney's fees that the **BENEFITS COUNCIL** may have to incur in defense of the **CONTRACTOR** for acts or omissions of the **CONTRACTOR**. -----

----**D. APPLICABLE LAW, JURISDICTION, AND INTERPRETATION:**

-----1. This Agreement and all its terms shall be interpreted in accordance with the laws and regulations of the Government of Puerto Rico. -----

-----2. Any controversy or claim that arises or is related to this Contract will be resolved before the Court of First Instance of Puerto Rico, San Juan courthouse. -----

-----3. The Parties agree that the Clauses and Conditions of this Contract are independent and separate from each other and that the nullity of one or more of them will not affect the validity of the other Clauses and Conditions established herein, which they are obliged to comply with. -----

-----4. This Contract includes a proposal as an exhibit on services to be provided by the **CONTRACTOR**. To the extent that this Contract and its annexes conflict with each other, this Contract and its rules of interpretation shall prevail over what is established in the annexes. If a particular element is not considered within the Contract, the terms contained in the exhibit will prevail, unless its application has a result contrary to what is established in the Contract. -----

----**E. AGREEMENT AND AMENDMENTS:** This Contract and its exhibits constitute the entire agreement between the parties and may only be amended in writing, prospectively and by mutual agreement during its validity in accordance with the needs of the **BENEFITS COUNCIL** and subject to the availability of funds for the execution of the amendment. This Contract has been the product of negotiations and expresses the feelings of both parties, therefore, there will be no presumption that any party prepared the document. -----

---- **F. NOTICES:** Any written notice or notification required under the terms of this Contract will be sent to the last known physical and email addresses of the signatories to this Contract. The **PARTIES** accept and acknowledge their obligation to keep up to date

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regarding their correct addresses, including telephone numbers, fax, emails, and contact person, during the term of this Contract. -----

----- **G. INSURANCE POLICIES:** The **CONTRACTOR** shall maintain a public liability policy in force during the term of this Contract. The **CONTRACTOR** agrees that the policy may not be canceled without prior written notice to the **BENEFITS COUNCIL** with no less than thirty (30) days prior to the date of the cancellation. It will be sufficient cause for the immediate termination of the Contract by the **BENEFITS COUNCIL**, if the **CONTRACTOR** does not maintain the aforementioned policies in force during the term of this Contract. -----

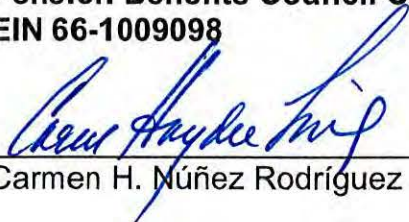
----- **NOTICE:** No payment or consideration under this Contract may be required until presented for registration before the Office of the Comptroller in accordance with the provisions of Law No. 18 of October 30, 1975, according to amended. -----

--- **TENTH: VALIDITY AND ACCEPTANCE:** -----

-----This Agreement is granted and effective from July 1, 2023 through June 30, 2024. --

-----The **PARTIES** accept all the clauses and conditions of this Contract and thus confirm it by signing the last page and starting it on the left margin of the remaining ones. -----

**Commonwealth Plan of Adjustment  
Pension Benefits Council Corp.  
EIN 66-1009098**

  
Carmen H. Muñoz Rodríguez

**Marchand ICS Group  
Contractor  
EIN 66-0519439**

  
Jorge E. Marchand Sifre





# EXHIBIT A

## **Proposal to the Transition Pension Benefits Council:**

To renew the Professional Services Contract, to serve as Information and Communication Agent for the Pension Reserve Trust Reserve,  
to Design and Implement the Information and Communication Strategy for the Pension Reserve Trust and the Pension Council's Election Process

Presented by:



June 8, 2023

## State of Play

For more than five years, Puerto Rico has worked tirelessly to restructure its debt as the basis to getting the economy back on strong footing. Because the confirmation and implementation of the Plan of Adjustment (POA) was a significant moment for Puerto Rico, it is important to understand how we got here, where we are today, and the lessons learned from the POA confirmation process, including the election.

### How We Got Here

- **On May 3, 2017**, the Government of Puerto Rico filed for bankruptcy under PROMESA's Title III to restructure \$70 billion in debt and \$50 billion in pension obligations.
- **In June 2017**, the U.S. District Court approved a motion filed by Movimiento Pro Pensionados (MPP), which included 17 retiree groups and associations to appoint an Official Committee of Retired Employees (COR) to represent 167,000 retirees from the Puerto Rico Government Employees Retirement System (ERS), the Teachers Retirement System (TRS), and the Judiciary Retirement System (JRS). The U.S. Trustee requested and evaluated applications from retirees to appoint COR members.
- **On January 18, 2022**, U.S. District Court Judge, Laura Taylor Swain, filed an order confirming the 8th Amended Plan of Adjustment for the Government of Puerto Rico. The confirmed POA protects retirees' monthly pensions and benefits accrued until the POA's effective date, and creates a Pension Reserve Trust (Trust) funded by the Government for future pension payments.
- **On March 15, 2022**, the POA and the Trust became effective.

### Where We Are Today

As per the Trust Guidelines developed by the COR, AFSCME, the FOMB, and the Government of Puerto Rico, two entities will oversee compliance with deposit requirements, withdrawal conditions of funds, and manage the funds on behalf of retirees:

- **The Pension Benefits Council (Benefits Council)**, mostly composed of elected retirees to ensure that the Government meets funding obligations and withdrawal conditions under the confirmed POA.
- **The Pension Board**, appointed by the Benefits Council, the Government of Puerto Rico, and the FOMB to administer the Pension Reserve Trust.

Additionally, the Trust Guidelines effective on March 15, 2022, implemented a Transition Pension Benefits Council (Transition Council) that is:



- Composed of nine members: five are retirees appointed by the COR, two are appointed by AFSCME, one is appointed by the Government of P.R., and one is appointed by the FOMB.
- Responsible for developing, implementing, and overseeing the voting process to elect the six members of the Benefits Council that will represent retired and active Government employees for a four-year term.
- Authorized to hire professionals to provide support in fulfilling its obligations.

## Developing a Successful Plan

MICS will work with the appointed members of the Transition Council to develop a comprehensive and detailed strategic plan to be implemented in phases. The plan will be key to meeting the entity's duties of communicating, informing and educating retirees and overseeing a fair election process.

### Key Learnings from the COR and POA Confirmation Election

Since 2017, MICS has acted as the COR's information agent assisting the Committee fulfill the communication duties that were assigned by the U.S. District Court for the District of Puerto Rico. In 2021, MICS also launched the strategy to support the COR's education, information, and get-out-the-vote efforts aimed at eligible retirees to vote in the election regarding the POA. There are a host of lessons learned from that process that will be important to refer to when supporting the Transition Council, including:

- **Don't assume people know what is going on**, it is important to educate retirees on the Trust's structure created under the POA, the roles of the Transition Council, the Benefits Council and the Pension Board, as well as the election process.
- **Ensure that the database that the Transition Council uses is robust and dependable**, so we can effectively reach the target audience to share information.
- **Provide more than one secure and accessible alternative to vote**, so people eligible to vote have different ways to cast their vote and maximize participation.
- **Be prepared**, to educate and provide a consistent stream of relevant information about the Trust (Benefits Council + Pension Board), the Transition Council and election-related to voters prior to the election and during the voting period.
- **Use different channels of communication**, including advertising, social media, and others to communicate with target audiences.

- **Allow reasonable and ample time to vote**, to provide education and information during the voting period, and maximize turnout.
- **Be sensible to the target audiences**, by listening to their concerns and communicating with empathy, guidance, and commitment.

### Information strategy for the COR and Digital Metrics

Since 2017, MICS has implemented a multi-channel communication strategy that included various tactics to inform and educate the COR's key audiences. Among these channels, digital platforms were used to obtain a greater reach, and to create a direct, two-way and solid communication with the retiree community.

## Summary of Information Strategy: Channels and Activities



#### Digital

- Webpage
- Email drops
- Social Media (Facebook + LinkedIn)
- Google Ads



#### Radio

- COR's weekly radio show
- Interviews
- Mentions
- Ads



#### Newspapers

- Press releases
- Interviews
- Mentions
- OpEds
- Ads



#### Television

- Interviews
- Ads



#### Meetings

- Retirees
- Leaders of associations and groups of retirees
- Governors
- Legislators
- Members of the press

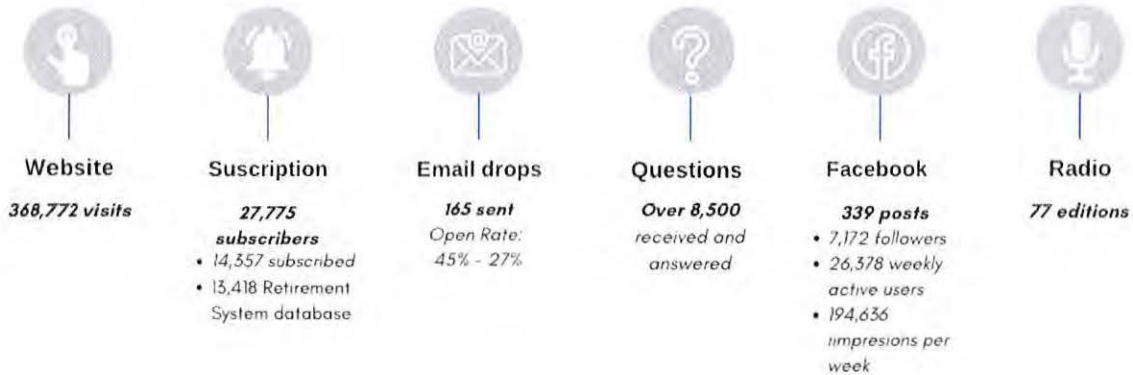


#### Others

- Benefit Calculator
- Inserts
- Brochure
- Direct Mail
- One-pagers
- Call Center



# Summary of Digital Metrics



## Our Approach

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To ensure that the Transition Council meets its duties in an effective and transparent manner, MICS will lead a multiple pronged approach focused on:

1. Educating relevant parties about the Trust (Benefits Council + Pension Board) and the Transition Council's roles and responsibilities.
2. Making sure that the Transition Council and the Pension Board comply with the information and disclosure obligations established by the Guidelines.
3. Providing timely updates about the steps taken by the Transition Council to fulfill the objectives as per the Guidelines.
4. Supporting the development and implementation of the election process by creating and managing the Transition Council's information center to communicate with eligible voters.
5. Raising awareness about the vote among eligible retirees from ERS, TRS, JRS, and active government employees eligible to vote.

### Managing the Transition Council's Role

The Transition Council is responsible for communicating to the target audience its role and scope of work, as well as its activities and positions on issues related to the assigned duties under the Guidelines.

To support the process and voters, MICS will develop the necessary assets to educate the community of active and retired employees by way of strategic approaches centered around

earned, social, and digital media efforts. Knowing the nature of the process given the lessons learned during our experience with the COR and the POA voting process in 2021, MICS will oversee the election and the education program that will accompany it to ensure the participation of eligible voters.

Moreover, MICS will develop an information program to educate eligible voters about the origins of the Trust, and the contents of the Guidelines as the cornerstone of the election. What's more, this very information program will serve as a mode to respond to questions from retirees and other stakeholders about the Transition Council and voting process.

Knowing that the Transition Council is an educational body that will provide updates and information to eligible retirees through every step of the process – from nominations to announcing the selected officials – it will be important to lead the foundational work that will enable the Transition Council to communicate effectively and honestly.

### **Supporting the Election Process**

The Transition Council will facilitate an election among eligible retired and active employees, as defined by the Guidelines, to elect six new members who will join appointees by the Governor, the FOMB, and AFSCME to constitute the Pension Benefits Council for a four-year term.

Understanding that the goal is to ensure a fair, transparent, and successful election, MICS will develop a plan and timeline that adheres to the Guidelines included in the POA, which state that the election shall be completed as soon as possible after the effective date of the Plan, but no later than October 2023.

### **Raising Awareness About the Vote**

As per the Guideline, the Transition Council has the duty of developing and executing the process to elect the Council members that will represent retired and active employees for a four-year term. So much so, that legally, it is required to publish notifications about the nomination and election processes in, but not limited to, websites, social media accounts and online and printed newspapers of general daily circulation.

MICS will work with members of the Transition Council in fulfilling this responsibility by developing a comprehensive information and education program focused on identifying key issues and the actions the Transition Council can take to draw interest, educate voters, and maximize participation such as issuing reports, and oversight, among other. To reach target audiences with the right messages, MICS will focus on a strategic mix of tactics including, but not limited to, earned and paid media, digital platforms, and other strategic communication modes.



# **Marchand ICS Group's Credentials and Fees**

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## **1. Name and Address of the Firm:**

Marchand ICS Group (MICS)

PO BOX 8168, San Juan, P.R. 00910-0168

## **2. Contact Information:**

Jorge E. Marchand Sifre, principal of Marchand ICS Group

787-765-0444 (office) | 787-504-1111 (mobile)

[jorge@marchandics.com](mailto:jorge@marchandics.com)

## **3. Business Legal Structure:**

MICS is a corporation established under the Laws of the Commonwealth of Puerto Rico since April 1995.

## **4. Description of the Firm:**

MICS is a boutique communication services firm that specializes in developing and implementing integrated communication plans and information programs tailored to meet the client's specific needs. We have a core group of 4 communication professionals – each one specializing in a specific field to achieve thorough and effective strategies according to client's particular goals and target audience– and one administrative assistant. Our professionals have deep collective knowledge and experience working with topics related to pensions, investment, banking, and finance. MICS offers a wide menu of services from strategy and content to digital platforms and public relations. Moreover, MICS clients have access to our extensive and diverse network of services and contacts to maximize the potential of the programs

It is important to note that, since 2017, MICS has acted as the information and communication agent of the Official Retiree Committee (COR, for its acronym in Spanish), which was designated by the United States Trustee to represent 167,000 government retirees in the bankruptcy case of the Commonwealth of Puerto Rico Government under PROMESA's Title III. Our work on behalf of the COR gave retirees represented by the Committee access to relevant and official information that kept them up to date about the case status –and during the election– to ensure that retirees knew about the process, how to vote and why vote to support the POA. MICS designed and executed highly targeted programs aimed to communicate directly with the target audience.

**5. Rate Proposal:**

a. Rates

<b>Name</b>	<b>Positions</b>	<b>Rate (per hour)</b>
<b>Jorge Marchand Sifre</b>	Principal Strategist	\$175.00
<b>Mari Carmen Schell Asad</b>	Content Editor	\$110.00
<b>Male Noguera Osuna</b>	Digital Platforms and Social Media Manager	\$95.00
<b>Iris González</b>	Manager of Public Relations	\$140.00

b. Estimated Annual Costs (Fees and Related Expenses)

**RECAP 2023-2024 BUDGET**

<b>July 2023 to December 2023 Period</b>	<b>Fees</b>	<b>EXTERNAL SUPLIERS AND EXPENSES</b>
Elections	132,000.00	196,000.00
General- Communications Agent	5,000.00	-
General- IT/Digital Platforms	2,000.00	-
Council Establishment	-	-
<b><i>Subtotal (July 2023 to December 2023)</i></b>	<b><i>139,000.00</i></b>	<b><i>196,000.00</i></b>

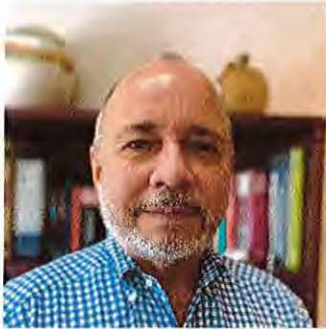
<b>January 2024 to June 2024 Period</b>	<b>Fees</b>	<b>EXTERNAL SUPLIERS AND EXPENSES</b>
Elections	-	-
General- Communications Agent	16,000.00	-
General- IT/Digital Platforms	4,000.00	8,000.00
Council Establishment	7,000.00	-
<b><i>Subtotal (January 2024 to June 2024)</i></b>	<b><i>27,000.00</i></b>	<b><i>8,000.00</i></b>

<b>TOTALS - July 2023 to June 2024 Period</b>	<b>Fees</b>	<b>EXTERNAL SUPLIERS AND EXPENSES</b>
<b><i>TOTALS</i></b>	<b><i>166,000.00</i></b>	<b><i>204,000.00</i></b>

<b>GRAN TOTAL 2023-2024</b>	<b><i>370,000.00</i></b>
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## 6. Information About the Team of Professionals:



**Jorge E. Marchand Sifre**  
**Principal**

Jorge founded Marchand ICS in 1995, as a boutique group that provides clients with innovative, customized services to maximize public and government relations and effectively address crisis management.

As Principal of Marchand ICS, he has developed a robust and viable client base comprised of a wide range of businesses and organizations practically representing every sector of the economy. Through Marchand ICS, he has managed corporate identity projects by establishing alliances with local and world-renowned firms. Under his leadership, the Marchand ICS team has supported clients in mergers & acquisitions, new product and service launching, conference planning, and production of publications and exhibitions, including an award-winning major publication on the history of the Puerto Rico Supreme Court.

His expertise in public affairs and government relations has made him an effective resource for numerous Commonwealth and municipal government administrations. Most recently, Jorge and his team of professionals participated in the restructuring of the obligations of the Government of Puerto Rico as information agent for the Official Committee of Retired Employees approved by the U.S. District Court for the District of Puerto Rico and appointed by the U.S. Trustee to represent retirees in Puerto Rico's bankruptcy proceedings. Marchand's background, sensitivity, and ability to translate complex information into effective messages were key to meeting the client's objective.

Prior to 1995, Jorge was Senior Vice President of communication of Banco Popular, Puerto Rico's largest bank. During his nine-year tenure (1987-1995), he presided over the positioning of new management within the bank, helped design and execute the communication strategy for one of the largest mergers & acquisitions in Puerto Rico's history. He also designed, organized, and oversaw the execution of the bank's 100-year anniversary, a yearlong affair that included numerous events, including the publication of a book on the history of the bank in Puerto Rico's economy. In addition, he participated in launching numerous products and services during his time of service at the bank.

Before joining the bank, Jorge managed advertising, marketing, and distribution for several premium brands and products at some of the most prestigious advertising firms in Puerto Rico, including Procter & Gamble, Panasonic, and others. During this period, Jorge participated in the acquisition of Puerto Rico Distillers (local Seagram's operation) by Serrallés Distillers.



At present, he is Board Member of Fundación Agenda Ciudadana, Centros Sor Isolina Ferré, Secretary of the Board of Directors of Lectores para el Futuro, Junta Asesora Proyecto Enlace Caño Martín Peña, and former Board Member of Fundación Banco Popular and Boys and Girls Club Puerto Rico.



**Mari Carmen Schell**  
**Content Editor**

Mari Carmen is a seasoned business journalist, copywriter, and content developer with more than 25 years of experience. Upon obtaining a BA in Art History and Latin American Literature from Smith College (Ranked no. 17 in Liberal Arts Colleges in the United States in 2020 by US News and World Report) in Northampton MA, she joined Caribbean Business (Puerto Rico's leading weekly business newspaper) as a reporter specializing in retail commerce and small businesses. She soon became respected by sources and readers for her deep understanding of the issues, instinct for news and commitment to accuracy.

A few years later, she joined El Nuevo Día as a business reporter covering the beats of banking and finance, manufacturing, and tourism. Her leadership and dedication were soon recognized with her appointment as Business Editor of the daily section and weekly business magazine.

In 1999, she became a freelance writer, translator, and communication consultant. In this role, she has participated in a diversity of projects for leading local and national clients, such as: GFR Media (El Nuevo Día, Primera Hora and endi.com); the Puerto Rico Chapter of the Washington, D.C.-based The Associated General Contractors Association of America (AGC-PR, for its acronym in Spanish); Marchand ICS (various projects, including Por La Junta Fiscal on behalf of AMBAC and the Official Committee of Retired Employees); and CRECE (a think tank that promotes economic freedom and entrepreneurship). Moreover, she is a ghostwriter for prominent business executives and community leaders on the island.

Mari Carmen is fully bilingual in written/oral English and Spanish and has a strong knowledge of legal issues and proficiency for analyzing, understanding and translating complex documents, skills that were crucial in MICS execution as information agent of the Official Committee of Retired Employees of the Government of Puerto Rico (COR) that was approved by the U.S. District Court for the District of Puerto Rico and appointed by the U.S. Trustee to represent retirees in Puerto Rico's bankruptcy proceedings.





**María Elena (Male) Noguera**  
**Digital Platforms and Social Media Manager**

Male is a professional communicator with over two decades of experience in the fields of digital marketing, social media, advertising, and journalism. Currently, she serves clients as a Digital Content Strategist, Social Media Manager and Brand Marketer.

In 2017, she teamed up with Marchand ICS to work on multiple projects, among these, management of Comité Oficial de Retirados (COR) digital platforms. She has played a significant role as a liaison between the COR and its audience; a digital engager to build brand presence and trust; in the growth and maintenance of its digital community; and in taking a deeper look at mentions, feedback, and discussions to analyze them, gain insight and fulfill goals and objectives. Prior to that, she served as a Communication professor for Universidad Sagrado Corazón; worked for advertising agencies – J. Walter Thompson and Saatchi Saatchi – to manage Social Media communication for clients like Toyota, Procter & Gamble, and Walgreens; and produced and edited written content for local and international magazines. Noguera holds a BA in Communication from the University of Massachusetts in Amherst MA and a MA in Writing for the Media.



**Iris M. González, APR, Lic. R-67**  
**Public Relations Manager**

Seasoned Public Relations professional with more than 30 years of multidisciplinary professional experience in the communication industry.

Iris is a member of the Asociación de Relacionistas Profesionales de Puerto Rico and the *Public Relations Society of America* (PRSA).

Through her professional career, she has worked with clients from different industries and including, Banking, Insurance, Economic Development, Pharmaceutical, Technology, Retail, and Arts & Culture. She has vast experience developing Public Relations programs with a holistic approach, which have been recognized by industry peers including, among other, planning and implementing the acclaimed public service campaign titled “Que nos pasa, Puerto Rico?”

Iris has successfully developed and executed integrated communication plans to increase recognition and visibility of some brands and organizations, and to maximize audience participation. Moreover, she has implemented Corporate Social Responsibility Programs and Community Relations Programs with the objective of enhancing the company’s reputation and brand recognition.

To support corporate transition processes, she has elaborate programs to promote employee commitment and has provided crisis management consulting to executives focused aimed to know public opinion and social attitudes to effectively connect with internal and external audiences.

Iris holds a BA in public communication from the University of Puerto Rico and an MA in Public Relations from Universidad de Sagrado Corazón.

#### **7. Professional Licenses and Accreditations:**

Iris is a licensed Public Relations Professional in the Commonwealth of Puerto Rico Department of State (Lic. R-67). In addition, she is an accredited Public Relations Professional (APR) by the *Public Relations Society of America* (PRSA).

#### **8. Public Liability Insurance:**

MICS has public liability insurance.





**Gobierno de Puerto Rico**  
Administración de Servicios Generales  
Registro Único de Proveedores de

*Servicios Profesionales*

## CERTIFICADO ÚNICO DE PROVEEDORES

**FECHA DE EXPEDICIÓN**                      **NÚMERO DE CERTIFICACIÓN**                      **FECHA DE VENCIMIENTO**  
14 de octubre de 2022                      202218676                      14 de octubre de 2023

Nombre del Proveedor: MARCHAND-ICS GROUP, INC.

Número de Proveedor: 44249

Dirección Postal: PO BOX 8168 SAN JUAN, PR, US 00910

Teléfono: (787) 765-0444

Correo Electrónico: yamaira@marchandics.com

PERSONAS AUTORIZADAS A FIRMAR	
NOMBRE Y APELLIDOS	TÍTULO QUE OSTENTA
JORGE MARCHAND SIFRE	PRESIDENTE

Será responsabilidad de cada Agencia Ejecutiva, Corporación Pública o Municipio validar la elegibilidad del proveedor antes de otorgar cualquier contrato. Así como el de garantizar que el proveedor pueda ofrecer los servicios profesionales conforme a las normas que lo regulan.

**ADVERTENCIA:** Cualquier alteración anula este certificado y podría ser sancionado criminalmente conforme a las disposiciones aplicables del Código Penal de Puerto Rico.



**Validación:** <https://validacion.pr.gov/>, debe usar el número de certificado como código de validación