

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD  
FOR PUERTO RICO**



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Executive Director

**BY ELECTRONIC MAIL**

August 17, 2018

Hon. Teresita Fuentes Marimón  
Secretary  
Department of Treasury  
P.O. Box 9024140  
San Juan, P.R. 00902-4140

Dear Secretary Fuentes:

The Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) vests significant authority in the Financial Oversight and Management Board for Puerto Rico (“Oversight Board”), including the right under Section 104(c)(2) to secure copies of documents from a territorial instrumentality necessary to enable the Oversight Board to carry out its duties. The Oversight Board established the contract review policy (the “Policy”) pursuant to Section 204(b)(2) of PROMESA to require prior approval of certain contracts to assure that they “promote market competition” and “are not inconsistent with the approved fiscal plan.”

The Policy states that all contracts or series of related contracts, inclusive of any amendments, modifications, or extensions, with an aggregate expected value of \$10 million or more must be submitted to the FOMB for its approval before execution. The Policy specifically covers any tax abatement or similar tax relief agreement.

In accordance with the Policy, the Oversight Board requires submission by the Department of Treasury of all the contracts, whether in the form of Tax Incentive Decrees or otherwise, that confer tax abatement or tax relief on a taxpayer, entered into since July 1, 2017 and henceforth.

Accordingly, pursuant to Section 104(c)(2) and Section 204(b)(2), we hereby request that you deliver to us a copy of each such contract, as well as the information described in the enclosed Appendices A, B and C, on or before August 24, 2018. Please also provide a formal estimate of the yearly impact that each decree will have on the government collections during the life of the contract.

Secretary Fuentes Marimón  
August 17, 2018  
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Jaime A. EL Koury". The signature is stylized with a large initial "J" and a long horizontal stroke.

Jaime A. EL Koury

CC: Manuel Laboy  
Natalie A. Jaresko

Enclosure

## Appendix A

### Contract Submission Questionnaire

#### 1) Agency

- a) Agency name:
- b) Contact name:
- c) Contact e-mail:
- d) Contact phone number:
- e) Person(s) who will sign the contract on behalf of the agency:
- f) State what statute, regulation, or resolution authorizes such person(s) to execute the contract on behalf of the agency:

#### 2) Contractor

- a) Name:
- b) Parent organization (if applicable):
- c) Principals of the contractor and/or parent organization (if applicable):
- d) State of organization:

#### 3) Contract

- a) Type (disaster relief or other):
- b) Value:
- c) Service or products description:
- d) Timing (e.g., need processing by end of year before benefits expire):
- e) New contract, amendment, or extension:
- f) Language (Spanish or English):
- g) Any related contracts (if applicable):

#### 4) Budget Questions:

- a) Are the funds for the contract included in the budget?
  - i) If yes, in which allotment? Please specify (A) the line item(s) in the budget that this contract will be funded from and (B) what other expenses have been committed or planned for that budget item.
- b) Does the existing budget fully cover the cost of the contract? If multiple line items, please specify the amount against each budget line.
  - i) If not covered in the budget, which allotments need to be reprogrammed?
- c) If the contract extends past the current fiscal year, does the current budget line item include the full cost of the contract or only the portion applicable to the current budget time period?
  - i) If only the portion applicable to the current budget, how much will be funded from the future budget? Are the budget line items the same and are there sufficient funds within those? Please provide supporting evidence.

5) Fiscal Plan Questions

- a) Is the contract consistent with the applicable Fiscal Plan? Please provide some commentary on why or why not.
- b) Does the contract constitute separate and additional disaster aid spending?
  - i) Will the contract be partially or fully federally funded?
  - ii) RFP information
    - (1) Name:
    - (2) Issue date:
    - (3) Due date:
    - (4) Award date:
    - (5) Applicable RFP rules and regulations:
    - (6) Amendments (Yes or No):
    - (7) Description of efforts undertaken to advertise the RFP:

6) Documentation

- a) Are all the following documents included in the submission? For any documents not included in the submission, please provide explanation as to why not.

	<b>Document</b>	<b>Yes</b>	<b>No</b>	<b>Document Reference</b>
1.	Agency Certification Requirement, attached herein as Appendix B	<input type="checkbox"/>	<input type="checkbox"/>	
2.	Contractor Certification Requirement, attached herein as Appendix C	<input type="checkbox"/>	<input type="checkbox"/>	
3.	A formal estimate of the impact that the contract will have on compliance with the certified Fiscal Plan	<input type="checkbox"/>	<input type="checkbox"/>	
4.	Recommendation to award memo or other document containing rationale for the award	<input type="checkbox"/>	<input type="checkbox"/>	
5.	Copy of final contract	<input type="checkbox"/>	<input type="checkbox"/>	
The following documents are only applicable to contracts relating to funding and reimbursements for disaster aid spending.				
6.	Existing procurement policies	<input type="checkbox"/>	<input type="checkbox"/>	
7.	RFP package issued	<input type="checkbox"/>	<input type="checkbox"/>	
8.	Documentation regarding advertising of RFP	<input type="checkbox"/>	<input type="checkbox"/>	
9.	Internal independent cost estimate prepared as part of issuing the RFP	<input type="checkbox"/>	<input type="checkbox"/>	
10.	Evaluation criteria	<input type="checkbox"/>	<input type="checkbox"/>	
11.	Copies of the responses to RFP received	<input type="checkbox"/>	<input type="checkbox"/>	

	<b>Document</b>	<b>Yes</b>	<b>No</b>	<b>Document Reference</b>
12.	Copies of correspondence with bidder (Q&A, BAFO discussions, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	
13.	Names of individuals who are part of the evaluation team(s)	<input type="checkbox"/>	<input type="checkbox"/>	
14.	Proposed evaluation and scoring records	<input type="checkbox"/>	<input type="checkbox"/>	
15.	Any other information, communications, or documentation that helps support or explain the procurement and resulting contract	<input type="checkbox"/>	<input type="checkbox"/>	

## Appendix B

### Agency Certification Requirement

The following certification shall be provided to the Oversight Board by each agency submitting contracts for review:

1. [Name of Agency], its officials and employees have complied with all applicable conflicts of interest laws, rules, regulations and policies in connection with the procurement and negotiation of the contract<sup>2</sup>.
2. To the best knowledge of the signatory (after due investigation), no person has unduly intervened in the procurement, negotiation or execution of the contract, in contravention of applicable law.
3. To the best knowledge of the signatory (after due investigation), no person has: (i) offered, paid, or promised to pay money to; (ii) offered, given, or promised to give anything of value to; or (iii) otherwise influenced any public official or employee with the purpose of securing any advantages, privileges or favors for the benefit of such person in connection with the contract.
4. To the best knowledge of the signatory (after due investigation), neither the contractor, nor any of its owners<sup>3</sup>, directors, officials or employees, or its representatives or sub-contractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation or execution of the contract.

The above certification shall be signed by the head or general counsel of the agency submitting the contract for review.

In the event that the agency is not able to provide any of the above certifications, it shall provide a written statement setting forth the reasons therefor.

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<sup>2</sup> As used herein, the term “contract” is inclusive of any amendments, modifications or extensions.

<sup>3</sup> For purposes of this certification, a contractor’s “owner” shall mean any person or entity with more than a ten percent (10%) ownership interest in the contractor.

## Appendix C

### Contractor Certification Requirement

The following certification shall be provided to the Oversight Board by each contractor under contracts submitted for review:

1. The contractor's subcontractor(s) in connection with the contract<sup>4</sup> is (are) the following:
2. Neither the contractor nor any of its owners<sup>5</sup>, partners, directors, officials or employees, has agreed to share or give a percentage of the contractor's compensation under the contract to, or otherwise compensate, any third party, whether directly or indirectly, in connection with the procurement, negotiation, execution or performance of the contract, except as follows:

(Name of individual or firm, including names of principals or owners of the latter)  
(Principal terms and conditions of the compensation sharing arrangement)

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

The above certifications shall be signed by the Chief Executive Officer (or other officer with equivalent position or authority to issue such certifications) of the contractor.

In the event that a contractor is not able to provide any of the above certifications, such contractor shall provide a written statement setting forth the reasons therefor.

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<sup>4</sup> As used herein, the term "contract" is inclusive of any amendments, modifications or extensions.

<sup>5</sup> For purposes of this certification, a contractor's "owner" shall mean any person or entity with more than a ten percent (10%) ownership interest in the contractor.