

# FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



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## **BY ELECTRONIC MAIL**

March 31, 2022

Carlos Mellado López, MD  
Secretary  
Department of Health

Re: VOCES Coalición de Inmunización y Promoción de Salud, Inc. (2022-DS0168-D)

Dear Secretary Mellado López:

In accordance with the contract review policy of the Financial Oversight and Management Board for Puerto Rico (“FOMB”) established pursuant to Section 204(b)(2) of PROMESA (the “Policy”), we have reviewed the proposed amendment to the contract between the Puerto Rico Department of Health and VOCES: Coalición de Inmunización y Promoción de Salud, Inc. (the “Proposed Amendment”).

After reviewing the Proposed Amendment, the FOMB concludes “Approved with Observations.” Observations related to the Proposed Amendment are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Amendment with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts promote market competition and are not inconsistent with approved Fiscal Plans. For the avoidance of doubt, the review performed by the FOMB does not cover a legal review of the contractual documentation or the contracting process, including without limitation: (i) compliance with contracting requirements under applicable laws, rules, and regulations, both federal and local and (ii) compliance with applicable laws, rules, and regulations governing procurement activities, both federal and local. In addition, the FOMB has not engaged in any due diligence or background check with respect to the contracting parties nor whether the contracting parties comply with the requirements under the applicable contract. Any material changes to the Proposed Amendment or the original contract must be submitted to the FOMB for review and approval **prior to execution**.

This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information not available when the review was

Mr. Carlos Mellado López

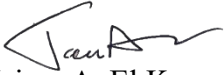
March 31, 2022

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conducted. In addition, during the course of our review, we may receive information which we may refer to the relevant authorities.

This letter is issued only to the Department of Health and solely with respect to the Proposed Amendment.

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, sweeping horizontal stroke.

Jaime A. El Koury  
General Counsel

## APPENDIX A

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DEPARTMENT OF HEALTH – VOCES: COALICIÓN DE INMUNIZACIÓN Y PROMOCIÓN DE LA SALUD, INC

### Fiscal Plan Alignment

This review covers the proposed amendment to the FEMA Vaccination Grant Agreement (2022-DS0168) between the Puerto Rico Department of Health (the “Department”) and VOCES: Coalición de Inmunización y Promoción de la Salud, Inc. (the “Proposed Amendment”).

The original contract, approved with observations by the FOMB on June 21, 2021, contemplates the coordination of vaccination services for eligible populations from its date of execution until September 30, 2021 for a maximum payable amount of \$11,200,000. The original contract’s Scope of Services includes:

1. Receive, store, and administer 700,000 vaccine doses;
2. Coordinate and carry out mass vaccinations for the island’s over-18 years old population;
3. Vaccinate between 1,000-6,000 people daily, per event or sector;
4. Identify and prioritize the vaccination needs of vulnerable populations and sectors;
5. Provide informational materials and trainings to municipalities and communities to address future similar emergencies;
6. Lead logistics efforts to identify specific needs of municipalities with limited access;
7. Create an educational campaign;
8. Manage a data center to report vaccinations to the Puerto Rico Immunization Information System;

The contract has since been amended three times, extending its term until **June 30, 2022** with no corresponding increase in the maximum payable amount. Notably, the first two amendments to Contract 2022-DS0168 were not submitted to the FOMB for review and approval prior to their execution, as required by the FOMB’s Contract Review Policy (the “Policy”). The third amendment, however, was submitted for FOMB review following our request on March 23, 2022. This repeated failure to comply with the Policy, in turn, constitutes a violation of PROMESA Section 204(b). Therefore, we remind the Department, **once again**, (i) that the Policy applies to all contracts or series of related contracts, inclusive of any amendments, modifications, or extensions, with an aggregate expected value of **\$10 million** or more and (ii) the Department must submit **any amendments, modifications, or extensions** to contracts which have exceeded the \$10 million threshold regardless of their amount, to ensure compliance with the Policy.

Please be advised the FOMB may exercise its powers granted to it under PROMESA to enforce compliance with the Policy. As such, we inform you that, should you continue to fail to comply with your statutory obligations, the FOMB may take such actions as it considers necessary to ensure your compliance, consistent with Sections 104(k), and 204(b)(5) of PROMESA.

The Proposed Amendment, on the other hand, does not alter the term and increases the maximum payable amount by **\$7,829,708.00** to **\$19,029,708.00** to continue these services and award grants to third-party non-traditional providers to assist in this effort.

## APPENDIX A

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The Proposed Amendment shall be fully payable with Federal Funds allocated in accounts 1290-222-0710000-081-2020- E071FEMA4493SUB (PRIFAS); E1290-222-0710000-06F-H0714493SU00039-2020 (PS 8.4).

The Department has certified that the funds required for payments under the Proposed Amendment are allocated in the corresponding accounts. As such, the FOMB's review indicates that the Department has sufficient budgeted funds to cover the cost of the Proposed Amendment, as of the date of this letter. However, this determination does not consider the extent to which total available funds will be subsequently encumbered by the Department throughout the Proposed Amendment's term. Consequently, we rely on the Department's budget certification for the purposes of this review.

The Department is expected to inform the FOMB of any budgetary differences other than those specified in Appendix A (Contract Submissions Questionnaire) and to request a re-review of the Proposed Amendment should any changes occur.

*This contract review was conducted on the basis of information submitted by the Department of Health. The FOMB has not independently verified the information included in the submission. Should the FOMB become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.*