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BY ELECTRONIC MAIL

March 5, 2024

Dr. Carlos Mellado López
Secretary
Department of Health

Re: Publicidad Tere Suárez, LLC (WIC Program)

Dear Dr. Mellado López:

In accordance with the Contract Review Policy (the “Policy”) of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), established pursuant to Section 204(b)(2) of PROMESA, we have reviewed the proposed contract between the Department of Health (the “Department”) and Publicidad Tere Suárez, LLC (the “Proposed Contract”).

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

Our review is solely limited to compliance of the Proposed Contract 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 Oversight Board does not constitute 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 Oversight Board 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 Contract must be submitted to the Oversight Board 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 the Oversight Board was not directed to when

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

This letter is issued only to the Department and solely with respect to the Proposed Contract.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

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DEPARTMENT OF HEALTH – PUBLICIDAD TERE SUÁREZ, LLC

Fiscal Plan Alignment

This review covers the Proposed Contract between the Department and Publicidad Tere Suárez, LLC (the “Contractor”) for advertising services in connection with the Special Nutrition Program for Women, Infants, and Children (the “WIC Program”). The Contractor’s scope of work includes the following services:

- Develop advertising campaigns and create and produce advertising materials;
- Develop and implement short- and long-term communications and promotions strategies;
- Provide advice to the WIC Program regarding the promotion of all activities as required;
- Conduct a strategic placement plan for the purchase of media spaces for dissemination;
- Design, create, and prepare a media plan for advertising campaigns and corresponding budget for review and approval by the WIC Program; and
- Support access to necessary materials in the event of natural disasters or emergency declarations.

The Proposed Contract stems from competitive procurement process no. **RFP-SP-2023-2024-002-WIC** and has a maximum payable amount of **\$798,000**. It has a term from the date of its execution to **September 30, 2024**, and contemplates two term extensions. We remind the Department that all extensions must be submitted to the Oversight Board for review and approval prior to execution in compliance with the Policy.

According to the information submitted by the Department, the Proposed Contract shall be covered entirely with federal funds from the WIC Administration Grants. The Department has certified that the funds required for payments under the Proposed Contract are allocated in **Account No. E1270-272-0710000-081-2024-242024W1003**. As such, the Oversight Board’s review indicates that the Department has sufficient budgeted funds in Fiscal Year 2024 to cover the cost of the Proposed Contract as of the date of this letter.

This determination does not consider the extent to which total available funds will be subsequently encumbered by the Department throughout the Proposed Contract’s term. Consequently, we rely on the Department’s budget certification for purposes of this review.

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

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