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BY ELECTRIC MAIL

April 4, 2024

Mr. Eduardo Rivera Cruz
Executive Director
Puerto Rico Infrastructure Financing Authority

Re: Ferroviaal Construcción PR, LLC

Dear Mr. Rivera Cruz,

In accordance with the Contract Review 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 change order to the construction contract between the Puerto Rico Infrastructure Financing Authority (“PRIFA”) and Ferroviaal Construcción PR, LLC (the “Proposed Change Order”).

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

Our review is solely limited to compliance of the Proposed Change Order with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts and amendments 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 Change Order or the original contract must be submitted to the Oversight Board for review and approval **prior to execution**.

Mr. Rivera Cruz

April 4, 2024

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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 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 PRIFA and solely with respect to the Proposed Change Order.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

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PRIFA – FERROVIAL CONSTRUCCIÓN PR, LLC

Fiscal Plan Alignment

This review covers the Proposed Change Order to the construction contract between PRIFA and Ferrovial Construcción PR, LLC.

The original contract stems from a competitive procurement process (AFI-BP20-040) issued on September 28, 2020, and contemplates improvements to La Muda intersection PR-1, PR-169, in the Municipality of Guaynabo to improve the flow of vehicles, reduce traffic delays, and provide safe pedestrian crossings via the construction of an elevated bridge over the intersection. It was approved with observations by the Oversight Board on April 6, 2021 for a maximum payable amount of \$10,072,624 and a term of up to 365 calendar days from the date of issuance of the Notice to Proceed, or May 9, 2022. The contract has been amended five times, thereby extending the term until June 30, 2024, and increasing the maximum payable amount to \$10,469,741.65.

The Proposed Change Order, which constitutes the sixth amendment to the contract, increases the maximum payable amount by \$2,615,393.89 to **\$13,085,135.54** and modifies the Substantial Completion Date to February 11, 2024 and the Final Completion Date to March 12, 2024. It maintains the Administrative Closing Date on June 30, 2024. The Proposed Change Order includes additional expenses due to changes in design and extended work needed to complete the project.

According to the information provided by PRIFA, the Proposed Change Order shall be covered with funds transferred from the Office of Management and Budget and deposited in PRIFA **Account No. 030-052882**. PRIFA has certified that the funds required for payments under the Proposed Change Order are allocated in the corresponding account. As such, the Oversight Board's review indicates that PRIFA has sufficient budgeted funds in Fiscal Year 2024 to cover the cost of the Proposed Change Order as of the date of this letter.

We rely on PRIFA's budget certification for the purposes of this review. In the event that the Proposed Change Order causes PRIFA to exceed its budget, it must find savings in other areas to cover any overbudgeted amounts and request a reapportionment of any identified funds to the Oversight Board in order to ensure compliance with the Fiscal Year 2024 Certified Budget.

PRIFA 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 Change Order should any changes occur.

This review was conducted on the basis of information submitted by PRIFA. 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.