Members
Andrew G. Biggs
Cameron McKenzie
John E. Nixon
Betty A. Rosa
Juan A. Sabater
Luis A. Ubiñas

Robert F. Mujica Jr.
Executive Director

Arthur J. Gonzalez
Chair

BY ELECTRONIC MAIL

February 28, 2025

Mr. Angel Pantoja Rodríguez
Designated Secretary
Department of Treasury

Re: Deloitte Consulting, LLP (ERP System)

Dear Mr. Pantoja Rodríguez,

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 amendment to the contract between the Department of Treasury (the "PRDT") and Deloitte Consulting, LLP (the "Proposed Amendment").

After reviewing the Proposed Amendment, the Oversight Board **approves the same subject to the changes, conditions, and observations 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 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 Amendment or the original 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

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 PRDT and solely with respect to the Proposed Amendment.

Sincerely,



Jaime A. El Koury
General Counsel

DEPARTMENT OF TREASURY – DELOITTE CONSULTING, LLP

Fiscal Plan Alignment

This review covers the Proposed Amendment to the contract between the PRDT and Deloitte Consulting, LLP.

The original contract (2023-000142), which was approved with observations by the Oversight Board on October 25, 2022, contemplates the creation and implementation of an Enterprise Resource Planning ("ERP") system. The ERP Implementation Project encompasses four phases: Prepare, Imagine, Deliver, and Run. The original contract has a maximum payable amount of **$73,104,102.76** and a term lasting from its date of execution on November 2, 2022 to December 31, 2024. The maximum payable amount was allocated as follows:

Fiscal Year	**Value**
October 25, 2022 to June 30, 2023	$30,982,722.59
July 1, 2023 to June 30, 2024	$37,965,164.67
June 30, 2024 to December 31, 2024	$4,156,215.50
Total	**$73,104,102.76**

The first amendment to the contract, which was executed on April 9, 2024, included an additional account number corresponding to the costs for Fiscal Year 2024, without altering the maximum payable amount or term.

The second amendment to the contract, which was approved with observations by the Oversight Board on December 26, 2024, extended the term for one month to January 31, 2025, without altering the maximum payable amount.

The third amendment to the contract, which was approved with observations by the Oversight Board on January 31, 2025, extended the term to February 28, 2025 to provide the PRDT with additional time to execute a Memorandum of Understanding (MOU) with the Oversight Board, incorporating all the terms and conditions outlined in the MOU draft provided by the Oversight Board on December 18, 2024. It does not alter the maximum payable amount.

The Proposed Amendment, which constitutes the fourth amendment to the contract, proposes to extend the contract to March 31, 2025, without altering the maximum payable amount. Recognizing the importance of the ERP system, the Oversight Board approves an extension of **15 days**, until **March 15, 2025**, to align with the new administration on advancing the ERP project efficiently and cost-effectively. The PRDT shall revise the Proposed Amendment to reflect the **15-day extension** until **March 15, 2025**. The Oversight Board expects the PRDT to execute the Memorandum of Understanding submitted on December 18, 2024 by **March 15, 2025**.

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

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