



Arthur J. Gonzalez
Chair

Members

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

Robert F. Mujica Jr.
Executive Director

BY ELECTRONIC MAIL

March 18, 2025

Dr. Miguel A. Muñoz Muñoz
Interim President
University of Puerto Rico

Re: Fe-Ri Construction, Inc.

Dear Dr. Muñoz Muñoz,

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 University of Puerto Rico (“UPR”) and Fe-Ri Construction, Inc. (the “Proposed Amendment”).

After reviewing the Proposed Amendment, the Oversight Board 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 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**.

Date: 3/18/2025

Page: 2

Recipient: Dr. Miguel A. Muñoz Muñoz

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 UPR and solely with respect to the Proposed Amendment.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

(Page A-1)

UPR – FE-RI CONSTRUCTION, INC.

Fiscal Plan Alignment

This review covers the Proposed Amendment to the contract between the UPR and Fe-Ri Construction, Inc. for the rehabilitation of the Resi-Campus Building at the UPR Río Piedras Campus, which provides student housing for 244 residents.

The original contract (2023-DR0039) was approved with observations by the Oversight Board on November 9, 2021. It has a term from its date of execution until December 31, 2024, and a maximum payable amount of \$20,030,000. The contract has been amended once, with the approval of the Oversight Board on December 20, 2024, to extend the contract term through September 30, 2025, and increased the maximum payable amount to \$20,099,373.54.

The Proposed Amendment, which constitutes the second amendment to the contract, extends the term through **January 31, 2026**, and increases the maximum payable amount by \$353,376.18 to **\$20,452,749.72**.

According to the information submitted by the UPR, the Proposed Amendment shall be covered with a mix of federal and prior year funds allocated in the UPR’s CAPEX account pursuant to the following distribution and located in the following accounts:

- **10470.692.000.7700.000.20C160026402.00 – Grant** **\$5,735,018.65**
- **10461.692.000.7700.000.20C000026402.00 – Institutional** **\$3,172,095.71**
- **10464.692.000.7700.000.20C000026402.00 – Insurance** **\$3,600,616.41**
- **10471.692.528.7700.000.20C161W10050.00 – FEMA** **\$3,758,276.18**
- **10471.692.506.7700.000.20C161W10050.00 – FEMA** **\$3,392,240.87**
- **10472.692.528.7700.000.20C161W10050.00 – CDBG-DR** **\$417,586.25**
- **10472.692.506.7700.000.20C161W10050.00 – CDBG-DR** **\$376,915.65**

As such, the Oversight Board’s review indicates that the UPR has sufficient budgeted funds to cover the cost of the Proposed Amendment 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 UPR throughout the Proposed Amendment’s term. Consequently, we rely on the UPR’s budget certification for purposes of this review. In the event that the Proposed Amendment causes the UPR to exceed its budget, it must find savings in other areas to cover any overspent amounts and submit a budget reprogramming request in order to ensure compliance with the Certified Fiscal Year 2025 UPR Budget.

Insofar as the Proposed Amendment will be funded with future certified budgets, the UPR must ensure that such budgets incorporate all costs related to the Proposed Amendment.

APPENDIX A

(Page A-2)

The UPR 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 UPR. 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.