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### **BY ELECTRONIC MAIL**

August 1, 2025

Mr. Eliezer Ramos Parés  
Secretary  
Department of Education

#### **Re: Computers Purchase**

Dear Mr. Ramos Parés,

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 contracts between the Puerto Rico Department of Education (the “PRDE”) and each of Caribbean Data System, Inc.; Computer Network Systems, Corp.; SESCO Technology Solutions, LLC; and WF Computer Services, Inc. (each a “Proposed Contract,” and jointly, the “Proposed Contracts”).

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

Our review is solely limited to compliance of the Proposed Contracts 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 Contracts must be submitted to the Oversight Board for review and approval **prior to execution**.

**Date:** 8/1/2025

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**Recipient:** Mr. Ramos Parés

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 PRDE and solely with respect to the Proposed Contracts.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jaime A. El Koury', with a stylized flourish at the end.

Jaime A. El Koury  
General Counsel

## **APPENDIX A**

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### DEPARTMENT OF EDUCATION – COMPUTERS PURCHASE

#### **Fiscal Plan Alignment**

This review covers the Proposed Contracts between the PRDE and each of Caribbean Data System, Inc.; Computer Network Systems, Corp.; SESCO Technology Solutions, LLC; and WF Computer Services, Inc. (the “Contractors”) for the replacement of computer equipment originally distributed to students and teachers to facilitate both face-to-face and remote classes as part of the effort and response to the global pandemic.<sup>1</sup>

The Proposed Contracts stem from competitive procurement process no. 23J-17251-R1 issued on December 19, 2023 by the General Services Administration.<sup>2</sup> They have a term from their respective dates of execution to **September 30, 2025**, with allowable extensions subject to availability of funds. We remind the PRDE that any extensions to the Proposed Contracts must be submitted to the Oversight Board for review and approval prior to execution in accordance with the Policy.

#### **Caribbean Data System, Inc.**

The Proposed Contract has a maximum payable amount of **\$39,149,773.52** to acquire and replace 25,048 computers and cases in the Caguas and Bayamón educational regions.

#### **Computer Network Systems, Corp.**

The Proposed Contract has a maximum payable amount of **\$41,904,720.92** to acquire and replace 26,862 computers and cases in the Mayagüez and San Juan educational regions.

#### **SESCO Technology Solutions, LLC**

The Proposed Contract has a maximum payable amount of **\$20,127,490.56** to acquire and replace 12,032 computers and cases in the Humacao educational region.

#### **WF Computer Services, Inc.**

The Proposed Contract has a maximum payable amount of **\$20,435,730.09** to acquire and replace 12,359 computers and cases in the Arecibo educational region.

The aggregate maximum payable amount among all the Contractors is **\$121,617,715.09**.

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<sup>1</sup> The Proposed Contracts indicate that the computers distributed to the students have reached their useful life and are now obsolete, thereby making it necessary for the PRDE to replace the equipment with new devices so that students can continue to learn effectively, including during difficult conditions caused by emergencies.

<sup>2</sup> On September 30, 2024, the Oversight Board approved with observations contracts between the PRDE and each of Caribbean Data System, Inc. and Computer Network Systems, Corp. for the acquisition and replacement of 26,305 computer equipment in the Ponce, Arecibo, and Mayagüez educational regions. They had an aggregate maximum payable amount of \$39,529,181 and a term from September 30, 2024 to June 30, 2025.

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The PRDE has certified that the Proposed Contracts shall be covered entirely with federal funds stemming from Title I, Part A, of the Every Student Succeeds Act, which are allocated as follows:

- \$118,039,031.36 in Account Nos. **E5090-222-03081100-11F-2024-00081-S010A230052D-A005010-11F-5090** (SIFDE); **E5090-222-0810000-081-2024-S010A230052D** (PRIFAS), and
- \$3,578,682.81 in Account Nos. **E4992-222-03081100-10F-2024-S010A230052D-00081-A005010-10F-4992** (SIFDE); **E4992-222-0810000-081-2024-S010A230052** (PRIFAS).

As such, the Oversight Board's review indicates that the PRDE has sufficient budgeted funds in Fiscal Year 2026 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 PRDE throughout the applicable term. Consequently, we rely on the PRDE's budget certification for purposes of this review.

The PRDE informed the Oversight Board that it intends to acquire and replace computer equipment every three years. Accordingly, **the PRDE must identify a recurring source of funds for such purchases and include it in its financial plan.**

Finally, we note that on January 25, 2024, the U.S. Department of Education's Office of Inspector General issued a report titled *Puerto Rico Department of Education's Use of Immediate Aid to Restart School Operations Program Funds* (the "OIG Report"),<sup>3</sup> stating that:

The [PRDE] did not have adequate controls to ensure that technology equipment acquired with Restart program funds was used as intended, safeguarded, and accurately recorded in its technology equipment inventory system. Specifically, the [PRDE's] written policies and procedures for the management of fixed assets and mobile equipment devices did not have guidance for educational regional offices and schools to manage surplus technology equipment that was in good condition and still had a useful life. *OIG Report at page 26.*

In light of the *OIG Report*, the Oversight Board requested the PRDE to submit an official opinion and technical assessment from the Puerto Rico Innovation and Technology Services ("PRITS") regarding the functional condition of the existing devices and their continued suitability for educational use. The PRDE submitted an analysis prepared by its Information Systems Office (the "PRDE's Analysis"), indicating that PRITS did not have a director who could issue an official certification. The Oversight Board requested a certification from PRITS validating PRDE's Analysis, which was submitted to the Oversight Board on July 30, 2025.

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<sup>3</sup> According to the *OIG Report*, the PRDE used \$131 million of its \$589.2 million Restart Program grant for the purchase of 111,330 laptops and 18,000 tablet computers for students; 4,311 storage and charging carts for the laptops and tablets; 30,000 laptops for teachers; and supplementary devices and services such as device configuration for imaging and etching, software installation, headsets and microphones, covers and USB adapters, warranty services, training for teachers and school principals, project and inventory management, and device distribution and transportation. *See* *OIG Report at page 23.*

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The PRDE 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 PRDE. 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.*