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Robert F. Mujica Jr.  
**Executive Director**

### **BY ELECTRONIC MAIL**

October 10, 2025

Dr. Victor M. Ramos Otero  
Secretary of Health  
Puerto Rico Department of Health

Dear Dr. Ramos Otero:

We write regarding the May 19, 2025 contract between the Puerto Rico Department of Health (“PRDOH”) and Xuvo Technologies, LLC (“Xuvo”) to implement a software program on the PRDOH’s website for the issuance and renewal of permits, certifications, and licenses (the “Contract”).

The Contract was not submitted to the Oversight Board based on the PRDOH’s determination that the Contract’s nominal value of \$5.00 (as opposed to the actual value thereof) did not meet the monetary threshold for Oversight Board review and approval prior to execution as required by the Oversight Board’s Contract Review Policy, established pursuant to Section 204(b)(2) of PROMESA (the “Policy”).<sup>1</sup> On August 1, 2025, the Oversight Board sent a letter requesting the PRDOH submit the Contract and all required documentation to the Oversight Board before August 8, 2025. The PRDOH submitted the requested materials on August 7, 2025.

On August 11, 2025, the Oversight Board issued a request for information seeking to clarify, among other things, whether the PRDOH had conducted a competitive procurement process with respect to the Contract. On August 15, 2025, the PRDOH confirmed that it did not conduct a competitive procurement process for the Contract. The PRDOH indicated that the company servicing the PRDOH website was not providing the required services. Seeking to change its vendor, the PRDOH identified Xuvo after investigating providers offering such services to other

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<sup>1</sup> See the Policy and its required documentation at the following link:  
<https://drive.google.com/file/d/1ujjQKj5z120VJ2TQ07sa8CpR9ATrObsJ/view>.

Government agencies. The PRDOH requested Xuvo provide a presentation of its services, after which the PRDOH selected Xuvo for the Contract.

On August 22, 2025, the Oversight Board issued a second request for information to the PRDOH seeking the historical data of processed transactions for FY2023, FY2024, and FY2025, as well as the projected number of transactions for FY2026-FY2030. The PRDOH submitted the requested materials on September 23, 2025. Based on the materials submitted by the PRDOH, particularly the average number of transactions processed in a fiscal year, and the processing fee that Xuvo will charge for each transaction, the Contract's estimated value is \$7.5 million.

Accordingly, the Contract does not meet the \$10 million threshold in the Policy requiring Oversight Board review and approval prior to execution. The Oversight Board's analysis was based on the information provided by the PRDOH, and as such the PRDOH is responsible for any inaccuracies thereof.

We note that awarding contracts without conducting competitive procurement processes does not "promote market competition" in compliance with the Certified Revised 2024 Commonwealth Fiscal Plan's mandate that procurement be "managed effectively and efficiently to safeguard taxpayer funds by promoting competitive procurements,"<sup>2</sup> as well as PROMESA's purposes.<sup>3</sup>

The Oversight Board is concerned with the Government's inconsistent adherence to procedures promoting market competition and fiscal responsibility. Accordingly, the Oversight Board recommends that PRDOH conduct a competitive procurement process for the services under the Contract within the next 90 days to promote market competition, avoid the appearance (or the occurrence) of misconduct, and increase the public's faith in government contracting. In order to ensure continuity of services to the people of Puerto Rico, the services under the Contract should continue during the competitive procurement process until a vendor is selected through the merit-based process.

It has also come to our attention that the Office of the Inspector General is actively reviewing the Contract for compliance with Commonwealth law. As such, the Oversight Board declines to comment further on this matter at this time.

We look forward to continuing to work together for the benefit of the people of Puerto Rico.

Sincerely,

Robert F. Mujica Jr.  
Executive Director

CC: Mr. Francisco J. Domenech Fernández

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<sup>2</sup> Certified Revised 2024 Commonwealth Fiscal Plan at 88.

<sup>3</sup> PROMESA § 204(b)(3) states that "[i]t is the sense of Congress" that any contract review policy established by the Oversight Board "should be designed to make the government contracting process more effective, to increase the public's faith in this process, . . . and to avoid creating any additional bureaucratic obstacles to efficient contracting."