



Arthur J. Gonzalez  
**Chair and Board Member**

**Members**  
Andrew G. Biggs  
John E. Nixon  
Betty A. Rosa

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

**BY ELECTRONIC MAIL**

October 23, 2025

Mr. Eliezer Ramos Parés  
Secretary  
Puerto Rico Department of Education

**Re: Puerto Rico Department of Sports and Recreation**

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 lease agreement between the Puerto Rico Department of Education (the “PRDE”) and the Puerto Rico Department of Sports and Recreation (“DRD,” for its Spanish acronym) (the “Proposed Contract”).

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

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

**Date:** 10/23/2025

**Page:** 2

**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 Contract.

Sincerely,



Jaime A. El Koury  
General Counsel

## APPENDIX A

(Page A-1)

PRDE – DRD

### Fiscal Plan Alignment

This review addresses the Proposed Contract between PRDE and DRD for the lease of approximately 13,000 square feet of office space in the DRD headquarters in the Municipality of San Juan, which includes 80 parking spaces and two restrooms.

The Proposed Contract has a term from its date of execution to **September 30, 2030**, and a maximum payable amount of **\$1,720,834**, which corresponds to a monthly rent of \$21,666.67 and a fixed monthly amount of \$7,500 to cover electricity costs. The DRD will bear the cost of water.

The PRDE has certified that the Proposed Contract shall be covered entirely with Special Revenue Funds in Fiscal Year 2026 in the amount of \$320,834, which are allocated in **Account No. E2632-234-02112900-26AFE079-003-2026** (PRIFAS); **E2632-234-0810000-0000-081-2026** (SIDFE). Payments for subsequent fiscal years will be subject to approval.<sup>1</sup> 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 Contract 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 Proposed Contract's term. Consequently, we rely on the PRDE's budget certification for purposes of this review. In the event that the Proposed Contract causes the PRDE 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 2026 Commonwealth Budget.

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 Contract 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.*

---

<sup>1</sup> Funds are derived from the indirect cost agreement between the PRDE and the Federal Government through approved rates applied to eligible federal programs administered by the PRDE.