



Arthur J. Gonzalez
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Executive Director

BY ELECTRONIC MAIL

December 8, 2025

Mr. Edwin E. González Montalvo
Executive Director
Puerto Rico Highways and Transportation Authority

Re: Puerto Rico Department of Transportation and Authority

Dear Mr. González Montalvo:

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 interagency agreement between the Department of Transportation and Public Works (“DTOP,” for its Spanish acronym) and the Puerto Rico Highways and Transportation Authority (“HTA”) (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: 12/8/2025

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Recipient: Mr. González Montalvo

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 DTOP and solely with respect to the Proposed Contract.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

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DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS – PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY

Fiscal Plan Alignment

This review covers the Proposed Contract between the DTOP and HTA for the repair and handling of state roads and collapses under the supervision of the DTOP.¹

The Proposed Contract stems from interagency master contract no. 2016-000024 (the “Master Contract”) between the DTOP and HTA, which allows collaboration between both agencies on administrative, technical, and operational services, as well as exchange of assets.² The Proposed Contract has a maximum payable amount of **\$40,279,958** and a term from its date of execution until **June 30, 2026**.

The DTOP has certified that the Proposed Contract shall be covered entirely with special revenue funds allocated in **Account No. E2720-292-0490000-081-2026**. As such, the Oversight Board’s review indicates that the DTOP 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 DTOP throughout the Proposed Contract’s term. Consequently, we rely on DTOP’s budget certification for purposes of this review. In the event that the Proposed Contract causes the DTOP 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 DTOP 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 DTOP. 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.

¹ See Executive Order No. 2025-004 dated January 2, 2025, declaring a state of emergency due to the critical condition of the roads infrastructure and damages caused by collapses.

² The Master Contract was executed on July 31, 2015, with a term until July 30, 2016, without any budgetary impact. It has been amended two times extending the term until June 22, 2026, without any budgetary impact.