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BY ELECTRONIC MAIL

June 30, 2021

Dr. Carlos Mellado López
Secretary
Department of Health

Re: National Building Maintenance, Inc. (2016-DS0838)

Dear Secretary Mellado López:

In accordance with the Contract review policy of the Financial Oversight and Management Board for Puerto Rico (“FOMB”) established pursuant to Section 204(b)(2) of PROMESA (the “Policy”), we have reviewed the proposed Sixth amendment to the contract between the Department of Health and National Building Maintenance (the “Proposed Amendment”).

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

Our review is solely limited to the compliance of the Proposed Amendment with the applicable fiscal plan and no other matters. For the avoidance of doubt, the review performed by the FOMB does not cover 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 FOMB 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 Amendment. Any material changes to the Proposed Amendment must be submitted to the FOMB for review and approval **prior to execution**.

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 not available when the review was conducted. In addition, during the course of our review, we may receive information which we may refer to the relevant authorities.

Dr. Mellado López
June 30, 2021
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This letter is issued only to the Department of Health and solely with respect to the Proposed Amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "Jaime A. El Koury". The signature is stylized with a large initial "J" and a long, sweeping underline.

Jaime A. El Koury
General Counsel

APPENDIX A

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NATIONAL BUILDING MAINTENANCE, INC. – DEPARTMENT OF HEALTH

Fiscal Plan Alignment

This review covers the proposed sixth amendment (the “Proposed Amendment”) to the contract between the Department of Health (the “Department”) and National Building Maintenance, Inc. (the “Contractor”) (together, the “Parties”) for cleaning and maintenance services for the Adult University Hospital (the “Agreement”).

The Agreement was executed on April 1, 2016 and stems from a competitive procurement process. The Agreement had a maximum payable amount of \$2,277,108 and a contract term until March 31, 2017 from its date of execution. Under the Agreement, the Contractor provides cleaning and maintenance services 24 hours a day, 7 days a week for the Adult University Hospital. The Agreement has since been amended five times, raising the maximum payable amount to \$12,525,198.51 and extending the term until June 30, 2021.

The Proposed Amendment, on the other hand, extends the Agreement’s contract term until June 30, 2022, or until the execution of a new contract stemming from a competitive procurement process, and increases the maximum payable amount by \$2,627,108 to **\$15,152,306,51**.

The Proposed Amendment shall be payable from the General Fund and from Special Revenue Funds under the line item for Purchased Services for Fiscal Year 2022, and the corresponding account numbers are:

- **E1294-571-0710000-003-2022 (PRIFAS); E1294-571-0711705-03U-2022 (PS 8.4): \$1,751,405.32**
- **111-071000-1610-003-2022 (PRIFAS); E1294-111-0711705-1610-003-2022 (PS 8.4): \$875,702.68**

Insofar as the Proposed Amendment will be partially funded with a future Certified Budget, the Department must ensure that such budget incorporates all costs related to the Proposed Amendment.

The Department is expected to inform the FOMB of any budgetary differences other than those specified in Appendix A (Amendment Submissions Questionnaire) and to request a re-review of this Amendment should any changes occur.

This Amendment review was conducted on the basis of information submitted by the Department of Health. The FOMB has not independently verified the information included in the submission. Should the FOMB become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.