



September 22, 2020

**BY ELECTRONIC MAIL**

Mrs. Natalie Jaresko  
Executive Director of the Financial  
Oversight and Management Board for Puerto Rico

Esteemed Mrs. Jaresko:

As you well know, the 2020 Commonwealth Fiscal Plan states that GSA will be funded for the staff needed to rapidly centralize procurement across the Government, focusing real effort on identifying opportunities to consolidate contracts, bring increased insight into spending, facilitating coordinated and rigorous vendor management, among other best practices. This is a fine goal and it's something we have been working on, tirelessly, in the General Services Administration since the adoption of Act 73-2019. During this time, we have met countless times with your team to establish common goals, provide clarity into the government's procurement practice and, of course, establish a compliant budget for GSA.

Furthermore, Puerto Rico has recently been impacted by powerful earthquakes and now, the COVID19 pandemic. These events have highlighted to you and the people of Puerto Rico the importance of having a transparent, clear and rigorous procurement process. On this we can both agree. Puerto Rico needs a transparent procurement practice aided by data, a clear process and best practices in terms of having the correct processes and systems in place. The people of Puerto Rico deserve as much.

On June 8, 2020, as required by FOMB policy and consistent with PROMESA section 204(b)(4), the GSA submitted its Centralized Procurement Regulation the Financial Oversight and Management Board for its review. We would like to adopt a regulation that the Oversight Board feels comfortable with, both in scope and intent. It is my intention to comply with all aspects of the 2020 Commonwealth Fiscal Plan. As such, my team has been instructed to engage in open and effective dialogue, provide all the necessary information and comply with any requests that your team may have. However, the review process has dragged on for too long. I worry that our efforts directed towards providing the Government with transparent and rigorous procurement processes may turn ineffective if it takes month to get regulations

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approved. We cannot implement the law, comply with the 2020 Commonwealth Fiscal plan or surpass the expectations of the people of Puerto Rico without this regulation in place. I think we can both agree that current regulations fall short of these goals. We will not state here every instance of discord your team has found with the proposed regulation, but we are concerned that some of your team's suggestions would require either additional budgetary resources that are not contemplated in the FY21 budget resolution or amendments to Act 73-2019.

I feel comfortable that together we can find a more expedited solution to this matter and find a resolution we can both agree upon.

We are, as always, available at your convenience to meet and discuss these issues. We look forward to continuing to work together for the benefit of the people of Puerto Rico.

Sincerely,

/S/ Karla G. Mercado Rivera, Esq.  
Administrator and Chief Procurement Officer