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BY ELECTRONIC MAIL

August 1, 2025

Francisco J. Domenech Fernández
Executive Director
Puerto Rico Fiscal Agency and Financial Authority

Re: Department of Health and Xuvo Technologies, LLC

Dear Mr. Domenech Fernández,

It has come to our attention that the Department of Health (the “Department”) executed a contract with Xuvo Technologies, LLC (“Xuvo”) on May 19, 2025 to implement a software program on the Department’s website for the issuance and renewal of permits, certifications or licenses (the “Contract”). Pursuant to the website of the Comptroller’s Office, the Contract has a term ending on June 30, 2030, and an amount of \$5, which the Department shall pay to Xuvo in exchange for the user licenses and services provided.

The Contract was not submitted to the Oversight Board for its consideration in accordance with the Contract Review Policy, established pursuant to Section 204(b)(2) of PROMESA (the “Policy”).¹ However, upon a preliminary review of the Contract available on the website of the Comptroller’s Office, the Oversight Board notes that the Contract allows Xuvo to charge a processing fee for each transaction made in the Department’s website, ranging between \$5 and \$20. The Department shall deposit the processing fees in a bank account in the name of Xuvo, who is responsible for reconciling the amounts.

As you know, the Policy applies to “[a]ll contracts or series of related contracts, inclusive of any amendments, modifications, or extensions, with an **aggregate expected value of \$10 million or more**” (emphasis added), in which the Commonwealth or any covered instrumentality is a

¹ See the Policy and its required documentation at the following link:
<https://drive.google.com/file/d/1ujiQKj5z120VJ2TQ07sa8CpR9ATrObsJ/view>.

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Recipient: Mr. Domenech Fernández

counterparty.² The basis for determining whether a proposed contract meets the Policy's \$10 million threshold is its aggregate expected value, not merely the amount paid by the Government for a contract.

Considering the processing fees that Xuvo is entitled to under the Contract, the aggregate expected value of the Contract is considerably higher than the \$5 that the Department shall pay to Xuvo in exchange for the user licenses and services provided. Accordingly, and in light of media reports concerning the competitive procurement process for the Contract,³ the Oversight Board requests the Department to submit the Contract and all documentation required under the Policy on or before **August 8, 2025** at **contracts@promesa.gov**.

Cordially,



Jaime A. El Koury
General Counsel

Cc: Dr. Víctor Ramos Otero

² Further, pursuant to the Policy, the Oversight Board may “select, on a random basis or otherwise in its sole discretion, contracts **below the \$10 million threshold**, to assure that they promote market competition and are not inconsistent with the approved fiscal plan, including the measures provided therein.”

³ For example, media reports indicate that Xuvo was ranked 14th in the competitive procurement process conducted for these services.