



GOVERNMENT OF PUERTO RICO
OFFICE OF MANAGEMENT AND BUDGET

Director | Orlando C. Rivera Berríos

BY ELECTRONIC MAIL

March 17, 2026

Mr. Robert F. Mujica, Jr.
Executive Director
Financial Oversight and Management Board
San Juan, Puerto Rico

Dear Mr. Mujica:

Re: Request for Authorization to Use and Distribute Funds for Municipal Capital Improvements

The Office of Management and Budget (“OMB”) respectfully requests the authorization of the Financial Oversight and Management Board (“FOMB”) to utilize and distribute funds to support municipal capital improvement projects, as described herein.

On October 29, 2025, the OMB issued Special Memorandum No. 008-2025, through which municipalities were invited to submit proposals for capital improvement projects related to economic development, critical infrastructure, health, and public safety. The memorandum established the applicable eligibility criteria, authorized uses of funds, submission procedures, and required application content, and set forth the applicable deadlines and instructions to ensure compliance with OMB requirements. As a result of this call for proposals, thirty-four (34) municipalities submitted a total of fifty (50) proposals for evaluation.

To ensure a fair, objective, and transparent evaluation process, the OMB designated an Evaluation Committee (the “Committee”) to review the proposals received. In the performance of its duties, the Committee evaluated each proposal in light of the program’s objectives, the applicable public policy framework, and the previously established evaluation criteria, assessing eligibility, technical feasibility, and overall merit. A summary of the evaluation process is provided in **Exhibit A**.

The Fiscal Year 2026 Commonwealth Budget Resolution allocated five million dollars (\$5,000,000) for municipal capital improvements projects, subject to the approval of the FOMB. In addition, a remaining balance from funds allocated under the Fiscal Year 2025 Commonwealth Budget Resolution remains available to support these initiatives.

Accordingly, the OMB respectfully requests the FOMB's authorization to utilize and distribute a total of seven million two hundred eighty-eight thousand two hundred seventy-seven dollars (\$7,288,277) to support municipal capital improvement projects. Of this amount, five million dollars (\$5,000,000) will be drawn from account No. 141-0170000-1248-008-2026, with the remaining amount drawn from account No. 141-0170000-1248-081-2025, both under the custody of the OMB. The proposed distribution of funds among the municipalities is set forth in **Exhibit B**, for the FOMB's review and approval.

All participating municipalities must comply with the provisions of the Special Memorandum No. 008-2025, including, without limitation: (i) the exclusive use of funds for authorized purposes; and (ii) the submission of reports to the OMB.

The OMB remains firmly committed to ensuring that the distribution of General Fund resources for municipal capital improvements is conducted in a fair, transparent, and fiscally responsible manner. The OMB remains available to provide any additional information or documentation necessary to facilitate the prompt consideration of this request.

Sincerely,



Orlando C. Rivera Berríos

Director

Office of Management and Budget

cc:

Hon. Jennifer A. González Colón

Hon. Francisco J. Domenech Fernández

Ms. Elisa Guardiola

Mr. Elvin M. Rosado Morales

SUMMARY OF EVALUATION PROCESS

The Evaluation Committee conducted a structured evaluation process to review and assess the proposals submitted by the municipalities of Puerto Rico in response to Special Memorandum No. 008-2025, issued by the Office of Management and Budget (“OMB”) on October 29, 2025.

The review was conducted in accordance with the program’s objectives, the applicable public policy framework, and the evaluation criteria established prior to the review process. Each proposal was assessed to determine its eligibility, technical feasibility, and overall merit.

The process consisted of two stages. During the first stage, an eligibility validation was performed to confirm compliance with the mandatory requirements established in Special Memorandum No. 008-2025. This included verification that applicant municipalities had not previously received funds under R.C. 11-2025 and that they were in compliance with the Single Audit requirement for Fiscal Year 2024.

Proposals were also reviewed to ensure consistency with the authorized uses of funds under the program. In particular, those primarily related to recreation and sports projects were deemed ineligible, consistent with the position set forth by the Financial Oversight and Management Board (“FOMB”) in its communication dated November 6, 2025.

The Committee evaluated whether each submission included the required documentation, including Annex I (Excel), a project description and justification, a financial breakdown, evidence of site ownership or control, and an implementation schedule. Submissions including ineligible cost categories, such as planning, design, or FEMA cost-share expenditures, were adjusted or disqualified in accordance with program requirements.

Notwithstanding the foregoing, a limited and consistent degree of flexibility was applied in the review of implementation schedules, considering that the evaluation process and the corresponding approval of funds occurred close to the end of the fiscal year. Similarly, in cases where proposals included minimal amounts associated with planning or design costs, such items were excluded from the requested funding amount rather than disqualifying the proposal in its entirety, provided that it otherwise complied with all other program requirements and remained feasible for execution within the applicable timeframe.

In the second phase, proposals that met the eligibility requirements were subject to a technical and merit-based evaluation. During this stage, eligible proposals were evaluated using a standardized scoring instrument based on the following criteria: project compliance, financial viability and sustainability, social and economic impact, technical feasibility and execution capacity, and population reach and geographic equity.

All determinations and evaluation scores were formally documented as part of the evaluation record to ensure transparency, consistency, and accountability in the decision-making process.

Municipality	Allocation
Aibonito	435,750
Añasco	475,000
Arroyo	927,683
Barceloneta	44,500
Barranquitas	138,292
Caguas	284,899
Cidra	300,000
Corozal	710,535
Dorado	129,790
Guayama	819,080
Hatillo	533,680
Naguabo	242,885
Sabana Grande	312,852
Salinas	136,014
San Germán	650,000
San Lorenzo	509,236
Toa Baja	638,080
Total	\$7,288,277