STATUS REPORT
Active OCI Procurement RFPs
Managed by the 3PPO

June 28, 2025

This report provides a summary of the status of active procurement processes involving an Organizational Conflict of Interest (OCI), which are being managed by the Third-Party Procurement Office (3PPO). These processes include proposal evaluations, contract negotiations, and pending award actions under the 3PPO's scope.

The 3PPO is responsible for overseeing and managing procurement activities in accordance with applicable procedures and procurement standards, exclusively in cases where an OCI has been identified that prevents LUMA from managing the process directly. However, it is important to clarify that all final decisions on contract awards, including the issuance of any notices of award, are made by LUMA. As of the date of this report, the 3PPO has not received any formal award notifications from LUMA for the RFPs currently under review or negotiation. Therefore, the 3PPO cannot confirm or estimate an award date for any pending RFPs.

The 3PPO recognizes the importance of these infrastructure projects to Puerto Rico's recovery and long-term energy resilience. The office remains fully prepared and available to support, coordinate, and accelerate any pending procurement process once guidance or decisions are received from LUMA or the Public-Private Partnerships Authority (P3), as applicable.

The following sections outline the status of each active RFP as of the date of this report.

1. **Distribution Line Construction – RFP 3PPO-1123-01-DL**

   Current Status:

   The 3PPO submitted the contract to Quanta for final review, including mobilization costs per the BAFO, but excluding the additional items. During contract negotiations, which involved a prolonged back-and-forth process, Quanta insisted on including additional contractual terms that were not accepted by LUMA.

   Separately, LUMA submitted a list of additional scope items that had been excluded from the original Exhibit E – Pricing included in the RFP package, requesting that Quanta provide pricing for them. This triggered a delay, as the 3PPO had to issue an RFI and allow Quanta sufficient time to submit the additional pricing. Concurrently, the 3PPO developed an Independent Cost Estimate (ICE) for the added items and conducted a cost-effectiveness evaluation comparing Quanta's proposed pricing.

   Following this analysis, it was determined that the proposed prices were excessively high and not reasonable, even after a BAFO was submitted. LUMA ultimately decided not to include these additional items in the final contract.

The 3PPO then held a meeting with Quanta to discuss and finalize the contract terms. While agreement was reached on most items, some proposed terms remained non-negotiable. These were escalated to LUMA's executive leadership for final determination.

Next Steps:
The 3PPO is currently awaiting LUMA's decision on the remaining contract terms and whether to proceed with contract execution.
The contract will need the FOMB approval.

2. Emergency Restoration Services – RFP 3PPO-1212-03-EM

Current Status:
Quanta signed the contract and submitted it for execution. The contract was then forwarded to LUMA for signature. However, the process has been delayed primarily due to contractual negotiations. Quanta proposed several changes that LUMA did not accept, leading to an extended exchange of revisions without resolution.

To move the process forward, the 3PPO scheduled a final meeting with Quanta, during which agreement was reached on most of the outstanding terms. Additional delays were caused by the time required for LUMA to finalize the insurance documentation and for Quanta to complete its internal review and acceptance.

As of today, the contract remains pending LUMA's signature for execution.

Next Steps:
The 3PPO is currently awaiting LUMA's final review and execution of the contract.

3. Substation EPC (Batch #1) – RFP 3PPO-0412-09-SUB

Current Status:
Upon receipt of proposals, the 3PPO determined that only two proponents complied with the mandatory requirements of the RFP and could be evaluated. This concern was formally communicated to the Public-Private Partnerships Authority (P3), given the use of federal funds under this procurement.

Additionally, both compliant proposals were found to be approximately 300% higher than the Independent Cost Estimate (ICE). The 3PPO requested guidance from P3 on how to proceed. P3 instructed the 3PPO to continue with the evaluation process. Following this guidance, the 3PPO completed its evaluation and submitted a recommendation, which subsequently triggered a Request for Information (RFI) from LUMA.

The 3PPO submitted a formal response to the RFI, including all supporting documentation, as well as proposed Alternative Contracting Strategies and Cost-Optimization Measures. In response, LUMA provided a revised ICE reflecting updated pricing assumptions. The 3PPO then re-evaluated the proposals based on the updated ICE, but the proponents' pricing remained approximately 300% above the new cost benchmarks.

The 3PPO submitted the revised evaluation report to P3 for their review and for the preparation of a transmittal letter to LUMA. As of now, the 3PPO has not been notified whether P3 has sent the letter to LUMA.

Next Steps:
No award date can be established until the evaluation process is finalized and the transmittal to LUMA is confirmed.

4. Distribution Poles and Conductor Repairs – RFP 3PPO-0328-08-DP

Current Status:
Quanta submitted a draft contract with over 100 proposed modifications. The 3PPO has not yet issued a revised version, as many of the proposed changes are identical to those included in the Distribution Line contract currently under review.

At this time, the 3PPO is waiting for confirmation from LUMA's executive leadership on whether the contract terms for the Distribution Line project are accepted, since the same clauses have been included in the Distribution Poles contract. This confirmation is necessary before informing Quanta and requesting their formal acceptance of the terms.

LUMA's insurance review of the contract is also still pending.

Next Steps:
Await LUMA's decision on the Distribution Line contract terms.
Finalize contract revisions accordingly.
Submit for FOMB and LUMA approvals and proceed with execution

5. EPC Substations (Batch #2) – RFP 3PPO-0703-11-SUB2

Current Status:
The 3PPO began evaluating proposals based on the initial documentation and the original Independent Cost Estimate (ICE). However, after evaluations had commenced, LUMA provided a revised ICE with updated pricing assumptions and scope details.
As a result, the 3PPO initiated a new pricing comparison process to align the evaluation with the updated version of the ICE. The new comparison was completed for all substations except for Costa Sur, where alignment could not be finalized. This is due to uncertainty regarding which items from the original ICE were incorporated into the new version.

The 3PPO is currently awaiting guidance from LUMA's technical team to clarify how the original Costa Sur scope aligns with the revised ICE, in order to accurately complete the cost comparison and avoid any duplication or omission.

Next Steps:
Receive technical clarification from LUMA for Costa Sur ICE scope reconciliation.
Finalize pricing comparison and complete the full evaluation.
Submit the evaluation report to P3A for review and transmittal to LUMA.

6. Distribution Streetlights – RFP 3PPO-1101-16-SC

Current Status:

The 3PPO is still in the process of evaluating proposals. RFIs were issued to all proponents to clarify several aspects of their submissions.

During the evaluation, the 3PPO encountered a significant issue with the revised Exhibit E – Pricing, which was published as an addendum at LUMA's request. This revised pricing form altered the structure and content of the original pricing format included in the RFP. As a result, the quantities and line items in the revised Exhibit E do not align with those used in the ICE, and some items from the original version were omitted entirely.

Due to this misalignment, the 3PPO had to develop a unit pricing format to enable a meaningful comparison between the proponents' submissions and the ICE.

The 3PPO is currently awaiting guidance from LUMA on how to proceed, especially since LUMA's technical team has expressed concerns and is reportedly leaning toward canceling the RFP due to these unresolved discrepancies.

Next Steps:

Await LUMA's response regarding how to proceed with the evaluation.

7. Workforce Augmentation – RFP 3PPO-0909-14-WA

Current Status:

Proposals were evaluated by the Evaluation Committee (EC) of the 3PPO, and a recommendation was submitted to LUMA. Prior to that, RFIs had been issued to proponents to clarify resource availability, deployment capacity, and geographic coverage. The 3PPO consolidated the responses and provided them to LUMA on June 23, 2025.

The 3PPO is now awaiting LUMA's response and guidance on how to proceed with a potential award.

Next Steps:

Await LUMA's direction regarding award decision and next steps toward contract execution.

8. MSA Substations – RFP 3PPO-0708-13-MSA

Current Status:

The evaluation report and recommendation were submitted to LUMA, with only one proponent recommended for award. This has raised concerns regarding competition and award justification.

Following submission, LUMA issued an RFI to the 3PPO regarding the evaluation process. The 3PPO provided formal responses along with supporting documentation.
The 3PPO is currently awaiting LUMA's response and final determination on whether to proceed with the award based on the recommendation provided.

Next Steps:

Await LUMA's review of the RFI responses and confirmation of award decision.

9. Costa Sur Autotransformer #2, 230kV HPFF Cable Repair – RFP 3PPO-0515-21-CSAT

Current Status:

The final site visit was successfully completed on June 25, 2025. All registered proponents attended, and most outstanding technical questions were addressed and clarified during the visit.

The 3PPO is now awaiting receipt of the proposals, which are due on July 2, 2025, as established in Addendum No. 6.

Next Steps:

Receive proposals by the July 2 submission deadline.
Proceed with the evaluation process.

10. Transmission Line Construction (New) – RFP 3PPO-0312-19-TL25 *(On Hold)*

Current Status:

The 3PPO has received proposals and is prepared to begin the evaluation process. However, the procurement remains on hold pending a formal decision from LUMA and P3 regarding the applicability of the Project Labor Agreement (PLA).

The outcome of this determination will decide whether the current process continues or if a new RFP must be issued.

Next Steps:

Await joint decision from LUMA and P3 on PLA applicability.
Proceed accordingly with either evaluation or reissuance of the RFP.