



DEPARTMENT OF HEALTH

Puerto Rico Medicaid Program

PUBLICATION

Pursuant to 42 U.S.C. 1308(g)(7)(A)(v)(III), the Puerto Rico Medicaid Program publicizes the list of contracts issued during the period of April 1, 2024, through June 30, 2024, that due to extenuating circumstances did not comply with the procurement standards identified under sections 75.327, 75.328 and 75.329 of title 45, Code of Federal Regulations. Contracts' descriptions and justifications are provided below.

Vendor	Contract number	Contract period	Amount	Note
PSS Pathfinder, Inc.	2025-000013	7/1/2024 – 12/31/2024	\$375,000	1
Aldarondo & López-Bras, PSC	2025-000016	7/1/2024 – 6/30/2025	\$175,000	2
1549 Alda, LLC	2025-000010	7/1/2024 – 6/30/2029	\$3,295,308	3

Notes:

1. As a result of a competitive process for the procurement of temporary professional services held in 2023, the Puerto Rico Health Insurance Administration (ASES for its Spanish acronym) issued a contract with PSS Pathfinder, Inc., for the term of September 1, 2023, through June 30, 2024. On June 28, 2024, ASES issued a six-month contract (2025-000013) with PSS Pathfinder with the purpose of extending its services. According to ASES¹ the following extenuating circumstances prevented contract compliance with a competitive procurement standard:

Contract 2025-000013 is for the provision of recruitment services for, among other things, temporary employees. The contract is only valid for six months while ASES concludes its recruitment process for full-time employees. The vendor's previous contract (for fiscal year 2024) was preceded by a competitive process (NNSP-2023-024- RH). At the time the vendor's previous contract expired, ASES's need for temporary employees was limited to seven employees (who had been placed by the vendor). At that time, those employees had been working at ASES for approximately nine (9) months (in some cases, even longer) and had been trained in their respective roles and duties. "Extenuating circumstances" existed to justify entering into a new contract with the vendor for 6 months because a change in staffing company, and thus a change in temporary employees (who were the sole employees in

¹ Quotes provided in this document come from ASES letter dated September 17, 2024.

certain departments performing critical functions in the daily operations of ASES), would have caused a considerable disruption in ASES's operations. The six-month contract was also necessary because, although ASES was in the process of recruiting full-time employees, Puerto Rico Law No. 8/2017 prohibits government agencies from recruiting personnel during the pre- and post-election period from September 6, 2024 thru January 4, 2025. Thus, ASES had to assure it could maintain its temporary employees to avoid disruption to its operations.

2. Aldarondo & López Bras, LLC (Aldarondo) is a Puerto Rico Law firm that has been providing legal services to ASES since at least 2021. Among its duties, Aldarondo had been counsel of record for ASES for over three years in a case filed by Molina Healthcare, Inc.², and in an administrative proceeding between ASES and First Medical. On June 28, 2024, ASES issued contract 2025-000016 that included the continuation of Aldarondo's legal representation in both proceedings. According to ASES the following extenuating circumstances prevented its compliance with a competitive procurement:

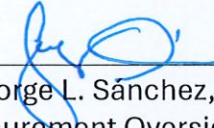
Contract 2025-000016 is for the provision of legal services. The contract is valid for 12 months (fiscal year 2025) and includes legal representation in administrative and judicial proceedings. The procurement of this contract involves "extenuating circumstances" that prevented compliance with 45 CFR 75.327, 75.328, and 75.329. First, "extenuating circumstances" existed because at the time the contract was entered into, the contractor had already been representing ASES in two legal proceedings and was uniquely positioned with a deep understanding of the facts and legal arguments supporting ASES's position in those proceedings. In addition, with respect to one of the proceedings, the amount involved is significant and the case is potentially close to resolution. Second, "extenuating circumstances" existed because Canon 32 of the Puerto Rico Code of Ethics for the legal profession. Upon advice of counsel, ASES determined that it should not engage in a competitive procurement process for legal services in order to avoid the possibility of encouraging or condoning a violation of this ethical canon. As a government agency, ASES cannot create a situation that could place attorneys in Puerto Rico in jeopardy of violating their ethical obligations.

² Molina Healthcare v. ASES, Case No. SJ2021CV05150

3. On June 26, 2024, ASES entered into a five-year lease contract with 1549 Alda, LLC, owner of the commercial property where ASES operates its main offices since 2014. Contract 2025-000010 constitutes the second five-year extension of the lease agreement. According to ASES the following extenuating circumstances prevented contract 2025-000010 compliance with competitive procurement standards:

Contract 2025-000010 is for a five-year lease extension for ASES' main facilities from a private landlord. The procurement of this contract involved "extenuating circumstances" because the circumstances in the commercial market were such that there were no viable properties satisfying ASES's criteria. To be sure, months before its prior lease expired, ASES conducted searches of available properties through two different sources for two different markets: (1) the "Junta Revisora de Propiedad Inmueble" ("JRPI"), for government-owned commercial properties, and (2) a local real estate agency, for privately-owned properties. Neither source returned an option that met ASES's needs. The JRPI certified there was no such source, and none of the private properties offered by the local real estate agency had appropriate office facilities for ASES's operations. The existing vendor was the only source who offered a property that was functional for ASES. In addition, remaining in the current location was ASES's most cost-effective option. ASES had already invested significant funds configuring the existing space, and moving to a new location would have required ASES to incur additional expenses in transporting its property, equipment, and files, and, significantly, in renovating and configuring a new space to its needs.

Given today September 20, 2024, in San Juan, Puerto Rico.



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