


**GOVERNMENT OF PUERTO RICO  
LA FORTALEZA  
SAN JUAN, PUERTO RICO**


Administrative Bulletin Number: OE-2020-075

**EXECUTIVE ORDER OF THE GOVERNOR OF PUERTO RICO, HON. WANDA VÁZQUEZ-GARCED, FOR THE PURPOSE OF TEMPORARILY AND PROSPECTIVELY SUSPENDING THE APPLICABILITY OF THE PROVISIONS OF ADMINISTRATIVE BULLETIN OE-2018-033, WHICH INCREASES THE MINIMUM WAGE FOR CONSTRUCTION WORKERS IN PUERTO RICO AND REQUIRES THE USE OF LABOR AGREEMENTS IN CONSTRUCTION PROJECTS WITH PUBLIC FUNDING**

**WHEREAS:** On July 30, 2018, Ricardo A. Rosselló Nevares, who was Governor of Puerto Rico at the time, issued Administrative Bulletin OE-2018-033, which was intended to increase the minimum wage of construction workers in projects financed either completely or partially with funds from the Government of Puerto Rico, its agencies, departments, and public corporations, to fifteen dollars (\$15.00). At the moment, this is a requirement for awarding this type of contract and applies not only to contractors, but also to subcontractors.



**WHEREAS:** After the implementation of OE-2018-033, multiple sectors (e.g. the Puerto Rico Chamber of Commerce and the General Contractors Association, Puerto Rico Chapter) have brought attention to the urgent need to conduct a detailed evaluation of the impact the measures contained in said executive order have had on the economy in general and on the construction industry, including construction projects not financed with public funds. The claims made by the various public and private entities include that the implementation of the Executive Order has led to an increase in the cost of construction projects. This, along with an increase in costs being experienced in the acquisition of goods and services in the construction industry (e.g. concrete, rebar, cinder blocks, sand, cement), merits a careful evaluation of the desirability of maintaining OE-2018-033 in effect.



**WHEREAS:** The difficult situation being experienced by the construction industry has been further aggravated as a result of the social distancing and lockdown measures implemented as part of the response to the emergency declared in Administrative Bulletin OE-2020-20 because of the health crisis caused by coronavirus (COVID-19).

**WHEREAS:**

Despite the fact that the careful and gradual reopening of various economic sectors has allowed for the resumption of construction projects, the total shutdown that had to be implemented for approximately two months has had a severe effect on this industry. As a result, it is imperative to rethink the measures recently adopted regarding the construction industry, and to evaluate their effects, advantages, and disadvantages, so that future decisions are grounded in the reality being experienced by the industry in these times of COVID-19 and focused on sustaining this important sector.

**WHEREAS:**

The construction industry is one of the primary sources of employment in Puerto Rico, especially for working class individuals, who are the ones who have been most affected by economic and fiscal crisis of the past several years and by the measures taken to fight COVID-19. It is therefore the government's duty to ensure the wellbeing and stability of both construction workers and the industry itself.

**THEREFORE:**

I, WANDA VÁZQUEZ GARCED, Governor of Puerto Rico, by virtue of the powers vested in me by the Constitution and the Laws of the Government of Puerto Rico, hereby DECREE and ORDER the following:

**Section 1:**

The applicability of Administrative Bulletin OE-2018-033, titled "Executive Order of the Governor of Puerto Rico, Hon. Ricardo Rosselló Nevares, to increase the minimum wage of construction workers, to bring into force the laws requiring the use of cement produced in Puerto Rico, and to require the use of labor agreements in publicly funded construction projects" (henceforth referred to as "OE-2018-033").

**Section 2:**

The provisions of this Executive Order shall apply prospectively. Therefore, construction projects entirely or partially financed with funds from the Government of Puerto Rico, its agencies, departments, and public corporations that begin or are announced after the date on which this Executive Order is issued shall not be governed by the provisions of OE-2018-033. However, signed contracts or agreements, including subsequent amendments, shall remain in effect as established in the provisions of OE-2018-033, in accordance with the terms and conditions agreed upon.



**Section 3:**



During this suspension period for the applicability of OE-2018-033, a task force organized by the Department of Labor and Human Resources (DTRH, for its initials in Spanish), the Department of Economic Development and Commerce, the Department of Housing, the Central Office of Recovery, Reconstruction, and Resilience (COR3), the Infrastructure Financing Authority, the State Insurance Fund Corporation, and members of the private sector, along with any other agency found to be pertinent and the private sector, shall conduct the corresponding studies and evaluations so that a recommendation may be issued regarding the potential annulment or amendment of OE-2018-033. The possible annulment or amendment of the various regulations issued by the agencies in relation to the implementation of OE-2018-033, including the Interpretative Guidelines issued by the DTRH in Circular Letter 2018-001, shall also be evaluated. This task force shall be led by the secretary of the DTRH and must issue the corresponding recommendations on or before November 30, 2020.

**Section 4:**

In this evaluation, the task force must consider, among other matters:

- (a) the implications that the potential annulment or continuation of OE-2018-033 shall have in the economic context in which Puerto Rico finds itself;
- (b) what amendments, if any, or additional measures, could be implemented regarding the salaries and benefits of construction industry workers in projects financed entirely or partially with public funds;
- (c) the impact that the implementation of OE-2018-033 has had on the management and efficiency of public funds allocated to construction;
- (d) the effect that the implementation of OE-2018-033 has had on the investment of private and public capital in construction projects.

In this analysis, the guiding criteria must be to find an alternative that promotes the wellbeing of the industry's workers, economic development, and the viability, sustainability, and reactivation of the construction sector. The Committee must provide economic data that sustains their recommendation.

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- Section 5:** In accordance with the provisions and objectives of this Executive Order, the prospective effects of any circular letter, regulation, or public policy issued by any agency in relation to OE-2018-033, and which in whole or in part is incompatible with this Executive Order, shall be rendered null to the extent to which such incompatibility exists regarding construction projects entirely or partially financed with funds from the Government of Puerto Rico, its agencies, departments, and public corporations, that begin or are announced after the date on which this Executive Order is issued. However, said circular letters, regulations, or public policies, as well as their respective amendments, shall continue to apply to contracts or agreements established prior to this Executive Order entering into effect.
- Section 6:** DEFINITION OF THE TERM "AGENCY". For the purposes of this Executive Order, the term "Agency" refers to any agency, instrumentality, office, or department of the Executive Branch of the Government of Puerto Rico, including public corporations, regardless of its name.
- Section 7:** DEROGATION. This Executive Order supersedes any other executive order that may be inconsistent with the provisions herein, to the extent of such inconsistency.
- Section 8:** NON-CREATION OF ENFORCEABLE RIGHTS. This Executive Order is not intended to create any rights, substantive or procedural, enforceable at law or equity, by any person or entity, in any matter, civil, criminal, or administrative, against the Government of Puerto Rico or its agencies, officials, employees, or any other person.
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- Section 9:** SEVERABILITY. The provisions of this Executive Order are separate and independent of each other, and if a court of jurisdiction and venue declares that any part, section, provision, or sentence of this Executive Order is unconstitutional, void, or invalid, such a decision shall not affect the validity or application of the remaining provisions, which shall remain in full force.
- Section 10:** VALIDITY. This Executive Order shall enter into force immediately and shall remain in force until the state of emergency declared due to the COVID-19 pandemic in Puerto Rico concludes, or until it is amended or annulled by a law.

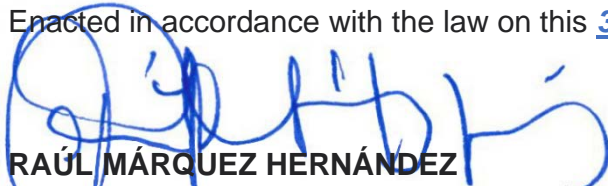
**Section 11:** PUBLICATION. This Executive Order must be filed immediately with the Department of State and the widest possible publication is hereby ordered.



**IN TESTIMONY WHEREOF,** I hereby issue this Executive Order under my signature and cause the Great Seal of the Government of Puerto Rico to be affixed in San Juan, Puerto Rico, on this 30th day of September of 2020.

  
**WANDA VÁZQUEZ-GARCED**  
**GOVERNOR**

Enacted in accordance with the law on this 30th day of September of 2020.

  
**RAÚL MÁRQUEZ HERNÁNDEZ**  
**SECRETARY OF STATE**