REQUEST FOR QUALIFICATIONS
Governmental Asset Manager
February 22, 2017

Introduction
The Puerto Rico Fiscal Agency and Financial Advisory Authority (the “Authority” or “AAFAF”) was established pursuant to Chapter 6 of the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act, Act 21-2016 (“Act 21 – 2016”), as an independent public corporation and governmental instrumentality with separate legal existence, fiscal and administrative autonomy, and independence from the Government of Puerto Rico.

The Authority was created for the purpose of acting as fiscal agent, financial advisor and reporting agent of the Government of Puerto Rico, its agencies, instrumentalities, subdivisions, public corporations and/or municipalities (hereinafter collectively referred to as the “Government”), and to assist such entities in confronting the grave fiscal and economic emergency that the Commonwealth is currently experiencing. The Authority has assumed the majority of the fiscal agency and financial advisory responsibilities that were previously held by the Government Development Bank for Puerto Rico.

On January 18th, the Governor of Puerto Rico signed into law Act 2-2017 (“Act 2 - 2017”). Act 2 – 2017 repeals Chapter 6 of Act 21-2016, and expands AAFAF’s powers to include, among other things, sole responsibility to renegotiate, to restructure and/or to reach an agreement with creditors on all or part of the public debt or any other debt issued by any government entity. Act 2 – 2017 also establishes AAFAF’s authority to monitor compliance with the budget certification and tax plans approved under the Puerto Rico Oversight, Management and Economic Stability Act of 2016; delegates to AAFAF the power to review matters such as, but not limited to, contracts, transactions and regulations of agencies and instrumentalities of the Government of Puerto Rico.

The activities and responsibilities of the Authority are separate and distinct from those of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), which was established by the Puerto Rico Oversight, Management, and Economic Stability Act 48 U.S.C. Chapter 20 (“PROMESA” or “Act”).

The Authority is authorized to hire professionals to carry out certain of its duties under Act 2 - 2017. As such, the Authority is seeking submissions from entities interested in providing asset management services mainly focused on real estate properties for a wide range of Government assets. Depending on the type of assets or properties, and the nature of potential transactions available to realize asset value, the Authority may work in cooperation with other governmental agencies, including, but not limited to the Puerto Rico Industrial Development Company (PRIDCO), the Puerto Rico General
Services Administration (PRGSA) and the Puerto Rico Public -Private Partnerships Authority (P3A), among others.

This RFQ will serve as the initial phase of a process that will enable the Authority to select a firm that will assist in: (1) the identification of real estate property or assets that are appropriate for private and/or third-party management, (2) the determination of the optimal management structure for these properties – either on a long-term basis or for an intermediate-term prior to their divestiture, (3) marketing and promotion of properties selected for sale, and (4) the sale process. The Authority recognizes that there are firms that have experience in some, but not all, of the services listed above. It is possible that the Authority may select different firms for some of these services, or select different firms for various governmental properties, or asset types. Firms that do not have experience in all of the services listed above are welcome to submit their qualifications for any portion of the required services.

**Qualifications and Scope of Work**

Activities and assignments for the Authority and the Government may include, but not be limited to identifying, valuing, managing, promoting, marketing, and selling properties or real estate owned or controlled by the Government. Generally, these services will be referred to as “asset management”.

**Contents of the Response to the Request for Qualifications**

Description of the Firm

Provide a brief overview of your firm and its primary areas of business.

Experience and Qualifications Related to the Scope of Work and Required Expertise

Provide a summary of the firm’s experience in providing asset management services for governmental entities. Describe your firm’s approach and staffing for asset management assignments. Provide brief case studies of relevant situations in which your firm provided these services to governments, with discussion of any examples where your firm was instrumental in assisting a governmental entity in realizing full potential asset values. Describe your firm’s approach and staffing to this type of assignment.

Listing of Individuals Assigned to Asset Management Activities for the Authority.

Include a description of their relevant experience and any history of working with the Government of Puerto Rico. Provide an organization chart for your team with the designation of primary leadership and day-to-day professionals.
The Firm’s Prior Work for Puerto Rico Public Corporations
Responses to the RFQ should also contain a description of any prior work done for the Government of Puerto Rico and/or its Public Corporations in the past five years. Please provide information related to involvement in litigation and/or investigations related to the jurisdiction of Puerto Rico, if any.

Related Activities
In order to allow the Authority to conduct an initial assessment of potential conflicts of interest, please provide a brief description of any work you have performed for any creditors or guarantors of Public Corporation debt in relation to their activities in Puerto Rico. Indicate whether this activity is ongoing, and if not, when the prior assignment was concluded.

References
Provide contact information for references for two separate assignments that are directly relevant to those anticipated by the Authority.

Selection Criteria
Asset management candidates responding to the RFQ will be evaluated based on the following factors:

• Qualifications on the required areas of expertise
• Experience with governmental entities, and any focus on distressed governmental entities
• Experience and credentials of the team staffed for this engagement
• Understanding of the engagement
• Conflicts of interest review
• Completeness and quality of the response to RFQ
• Presentation and quality of responses throughout the selection process
• Presence or current plans to establish physical presence in Puerto Rico as evidence of the entity’s contribution and commitment to Puerto Rico’s economic development

At this stage in the process, the Authority is not requesting fee proposals. However, the competitiveness and affordability of fees will be an important consideration in the final selection of any firm that may be chosen to assist the Authority and the Public Corporations.

RFQ Responses
The response to the RFQ is due no later than 5:00 p.m. Puerto Rico time on March 3, 2017. Please respond in a thorough and timely fashion, but as concisely as possible. Proposals submitted beyond
the deadline may not be accepted. The Authority reserves the right not to consider responses to the RFQ or revisions after the response due date.

The Authority prefers that firms submit individual responses and not submit joint proposals. However, if you feel your firm, or group of firms, would only be able to respond fully to the RFQ by joining with other firms, then submit a joint response, including an explanation of why your firm, or group of firms, would not be able to assist the Authority through a sole response to the RFQ. All proposals received shall remain in effect for thirty (30) days from the date of receipt of the proposal. The Authority will make evaluation of the responses and ultimate selection.

The Authority may review the RFQ responses and conduct further discussions with a short list of firms. However, it is possible that the Authority could proceed directly to scope and fee negotiations with selected firms based on the RFQ responses.

Responses to this RFQ are to be jointly addressed to the Authority at RFQ@aafaf.pr.gov, and to Michael Mace (macem@pfm.com) of Public Financial Management, and sent via e-mail. Respondents are encouraged to confirm receipt of responses by either return e-mail or telephone.

Any initial questions concerning the RFQ or responses should be addressed to the email addresses listed above. Any questions or comments, and related responses, may be made public for the benefit of all potential respondents to the RFQ. Under no circumstances should any representative of your firm make any contact concerning the RFQ with any representatives not authorized by the Authority, unless instructed to do so by the Authority.