REQUEST FOR QUALIFICATIONS

List of Qualified Advisors - 2017

for

PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

Issue Date: Wednesday, May 3, 2017
RFQ Number: 002-2017

Submission Location:
Responses to be submitted after registration in the e-Submission portal found at
http://www.app.gobierno.pr/?lang=en

Documents will only be received electronically. Hand delivery and physically mailed documents will not be accepted.

Submission Time:
Responses to be received at the above e-Submission Portal on or prior to:
11:59 pm (Puerto Rico time), Wednesday, June 7, 2017

Contact Person:
Bernice M. Valentin
Office Administrator of the Puerto Rico Public-Private Partnerships Authority

No telephone queries
I. INTRODUCTION

A. THE PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

The Puerto Rico Public-Private Partnerships Authority (“PPPA”), created by the Public-Private Partnerships Act, Act No. 29-2009, as amended (“Act”), for the purpose of implementing the public policy of the Government of Puerto Rico of favoring the establishment of public-private partnerships (“PPPs”) in Puerto Rico. The Act sets forth the public policy framework to establish PPPs for the completion of Priority Projects in alliance with the Puerto Rico Fiscal Agency and Financial Advisory Authority (“FAFAA”). The aim of the newly amended Act is to enhance the development and maintenance of infrastructure facilities, to allocate risks between the Government and potential proponents, to improve Government services and functions, to foster job creation, and to promote the social and economic development, and competitiveness of Puerto Rico.

B. BACKGROUND

1. PUERTO RICO’S CURRENT FISCAL SITUATION

Puerto Rico faces unprecedented fiscal and economic challenges and the administration believes that PPPs will form the cornerstone of the island’s economic development. As part of the ten (10) year Fiscal Plan prepared pursuant to the requirements of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), the administration’s economic development plans heavily depend on the establishment of PPPs for a many of government services and the delivery of new infrastructure. On March 13, 2017, the Oversight Board established pursuant to the provisions of PROMESA approved the Puerto Rico Fiscal plan.

The Fiscal Plan complies with both the 14 statutory requirements established by PROMESA and the five principles promulgated by the Oversight Board. It prioritizes revenue enhancement and government right-sizing measures, to reduce the 10-year financial gap by $30.7 billion dollars. Thus, redesigning the way the Government operates by integrating and transferring services from the public sector to private entities becomes a priority under the Fiscal Plan. Also, the Government via Executive Order 003-2017 declared a state of emergency regarding the condition infrastructure of Puerto Rico, thus allowing the use of an expedited permitting process under Act. No. 76-2000.

With Act 1 – 2017, which amends the Act, the Government positioned the PPP model as the primary path to achieve infrastructure and government right-sizing. Amongst many changes, Act 1-2017 improves the ability of the PPPA to evaluate, analyze and develop projects submitted through Unsolicited Proposals and provides the PPPA with the authority to establish Pre-development Agreements.
To achieve its mandate, the PPPA will issue an official list of priority projects. The plan, as approved by the Oversight Board, is to divide the priority projects into three (3) groups to be launched in 2017, 2018 and 2019, respectively, as shown in Appendix A. The proposed project sequence aims to advance PPP projects and avoid major obstacles. Thus, the progression goes from easily executable/advanced permitting to more complex/less advanced projects. The projects approved by the Oversight Board cover many industries, as shown in Appendix B.

II. QUALIFICATIONS AND SCOPE OF WORK

A. PURPOSE
The purpose of this Request for Qualifications ("RFQ") is to update the List of Qualified Advisors (the “List”) available to the PPPA. The List’s principal purpose is to facilitate the identification and engagement of suitably qualified providers of Advisory Services for occasions when such services are required.

B. TYPE OF CONTRACT
This RFQ does not constitute an offer to enter into a contract or engagement with any qualified advisor to the PPPA that results from this RFQ. Hence, no contract will directly result of this RFQ.

C. ACTIVITIES AND ASSIGNMENTS
The scope of activities and assignments will be determined at the time the parties negotiate the contract and will be included in any future agreement with the PPPA.

Set forth below are particular areas of expertise that the PPPA believes relevant in its evaluation and selection of a potential qualified PPPA Advisors:

- Public-Private Partnership Procurement Design, Agreements and Contract Management
  o Desirability and convenience studies
  o Pre-development agreement/reports
  o Unsolicited Proposal review/reports
  o Greenfield projects
  o Brownfield projects, including monetizations and operations and management projects
  o Payment Structures, including availability payments, revenue share structurers, asset swaps, hybrid structures and other innovative payment structures
  o Others

- Area of Advisory
  o Legal
  o Infrastructure
  o Financial
  o Technical
  o General
The PPPA may modify the aforementioned categories, subcategories, and areas. Nevertheless, Respondents are encouraged to indicate the advisory services, specialization categories, and areas of expertise in which they wish to be included based on their experience, knowledge, and expertise.

D. CONDITIONS OF ELIGIBILITY

Only interested individual firms or individuals may submit Responses to this RFQ. Advisors will be listed on an individual basis. Therefore, the Authority will not accept Respondents that put forward the names of multiple candidates or submit as consortiums, joint ventures or partnerships.
III. PREPARATION AND SUBMISSION OF RESPONSE

A. CALENDAR

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsibility</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFQ issued by the PPPA in its webpage <a href="http://www.app.gobierno.pr/?lang=en">http://www.app.gobierno.pr/?lang=en</a></td>
<td>PPPA</td>
<td>Wednesday, May 3, 2017</td>
</tr>
<tr>
<td>Deadline to submit request for clarifications to the PPPA via the e-Submission Portal at <a href="http://www.app.gobierno.pr/?lang=en">http://www.app.gobierno.pr/?lang=en</a></td>
<td>Potential pre-qualified advisors</td>
<td>Friday, May 19, 2017 – 11:59 p.m. (Puerto Rico time)</td>
</tr>
<tr>
<td>Answers to request for clarifications posted by the PPPA in its webpage <a href="http://www.app.gobierno.pr/?lang=en">http://www.app.gobierno.pr/?lang=en</a></td>
<td>PPPA</td>
<td>Wednesday, May 24, 2017</td>
</tr>
<tr>
<td>RFQ response due date – must be received via e-Submission Portal at <a href="http://www.app.gobierno.pr/?lang=en">http://www.app.gobierno.pr/?lang=en</a></td>
<td>Potential pre-qualified advisors</td>
<td>Wednesday, June 7, 2017, 11:59 p.m. (Puerto Rico time)</td>
</tr>
<tr>
<td>Official List of Qualified Advisors published in the PPPA Webpage <a href="http://www.app.gobierno.pr/?lang=en">http://www.app.gobierno.pr/?lang=en</a></td>
<td>PPPA</td>
<td>TBD</td>
</tr>
</tbody>
</table>

B. REQUEST FOR CLARIFICATIONS

The PPPA will accept requests for clarifications until 11:59 p.m. (Puerto Rico time) on Friday, May 19, 2017. Requests for clarifications need be to be submitted in PDF format using the e-Submission Portal found at http://www.app.gobierno.pr/?lang=en and be addressed to Omar Marrero Diaz, Esq., Executive Director of the PPPA. The PPPA will publish on its webpage all clarifications provided to potential respondents on Wednesday, May 24, 2017.

The PPPA reserves the right of providing clarifications for the RFQ after the prescribed due date, publishing said clarifications online or amending the RFQ as a result of the request for clarifications process.

C. LANGUAGE

The response to the RFQ and all accompanying documents shall be in English.

D. FORMAT OF RESPONSE

The uploaded files must be in PDF format.

The PPPA does not expect the submitted RFQ responses to follow any pre-determined format. Nonetheless, the PPPA expects all responses to cover in the manner possible, all topics provided in the scope of the assignment and content of the RFQ response criteria as prescribed in both sections of this RFQ.
Please respond in a thorough and timely fashion, but as concisely as possible.

E. SUBMISSION DETAILS

To submit qualifications for the List, the respondent must register in the Puerto Rico Public-Private Partnerships Authority e-Submission Portal (the “Portal”) found at http://www.app.gobierno.pr/?lang=en. Registration in the Portal consists of providing basic contact information for the firm and checking any category applicable regarding areas of experience, advisory, and industry.

Once registered, the respondent must click on “Go to User Options Page”, where any document may be uploaded in PDF format. The respondent must select the type of document to be uploaded from the drop-down list in the Portal, and provide the reference number for which the document being uploaded is to be associated with. In the case of this RFQ, the reference number is 002-2017.

The response to the RFQ is due no later than 11:59 p.m. (Puerto Rico time) on Wednesday, June 7, 2017. The document may be edited by the respondent up to the prescribed deadline for submission. Responses to the RFQ submitted beyond the prescribed deadline may not be accepted. The PPPA reserves the right not to consider responses to the RFQ or revisions after the response due date.

F. VALIDITY OF THE RESPONSE & MAINTENANCE OF THE LIST

The response shall be valid for at least 365 days from the day following the prescribed submission deadline for this RFQ.

The Authority may, at its sole discretion, and from time to time:

1. extend the period for which the List is valid;
2. invite additional candidates to submit their qualifications;
3. classify candidates on the basis of their stated areas of expertise;
4. request or permit one or more candidates to submit updated or additional information, including fee information;
5. update the List based on revised eligibility criteria; and
6. update the List at any time by adding new advisors and removing advisors.

Qualified advisors and/or the contact person registered as an advisor must promptly notify the PPPA via a formal email request to apppr@bgfpr.com, addressed to Omar Marrero Diaz, Esq., Executive Director of the PPPA, of any material changes to the information contained in their submission. Once the PPPA acknowledges such changes via email, the advisor may enter the system and update such information.
G. CONTENT OF THE RESPONSE TO THE REQUEST FOR QUALIFICATIONS

1. DESCRIPTION OF THE FIRM
   Provide a brief overview of your firm and its primary areas of business.

2. EXPERIENCE AND QUALIFICATIONS RELATED TO THE SCOPE OF WORK AND REQUIRED EXPERTISE
   Provide a summary of the firm’s experience in the required areas of expertise listed above. Interested firms should also identify any other practice area experience your firm has that may be helpful as the PPPA’s advisor in the context of the procurement schedule set forth in Appendix A and B.

3. LISTING OF INDIVIDUALS TO BE ASSIGNED TO THE PPPA AND PUBLIC CORPORATIONS’ ACTIVITIES
   Include a description of any relevant experience and history of working in Puerto Rico. Provide an organizational chart for your team with the designation of primary leadership and day-to-day professionals.

   Responses to the RFQ should also contain a description of any prior work done for the Government of Puerto Rico or any of its public corporations during the past five years. Please provide information related to any involvement in litigation and/or investigations related to the Government in Puerto Rico, if any.

4. CONFLICT OF INTEREST
   To allow the PPPA to conduct an initial assessment of potential conflicts of interest, please provide a list of any other current or former advisory contracts your firms has/had with any public entity in Puerto Rico. Further, please provide a description of any recent historical or ongoing legal proceedings, interviews or investigations being conducted by any U.S. law enforcement agencies involving your firm that are related to transactions executed in or on behalf of the Commonwealth and/or its Public Corporations. In addition, please provide a brief description of any work you have performed for any creditors or guarantors of the Government of Puerto Rico or any Public Corporation debt about their positions in Puerto Rico debt obligations. Indicate whether this activity is ongoing, and if not, when the prior assignment concluded.

   At some point in the selection process, the PPPA may request information on the individual conflict of interests that professionals that are expected to work with the PPPA, or by principals at the firm may have. Also, the PPPA may in the future request a list of direct or indirect relationships the firm or its professionals have to members of the PPPA or Board Members or executives of other Public Corporations.

5. REFERENCES
   Provide contact information for references for three (3) separate past advisory assignments that are directly related to the establishment of PPPs as the ones anticipated by the PPPA and provided in Appendix A and B.
IV. REVIEW PROCESS

All responses to this RFQ will be reviewed by the PPPA for completeness as per the information requested.

The Authority may, at its sole and absolute discretion:

- Conduct reference checks;
- Take into consideration information from other sources;
- Seek clarification from any or all respondents;
- Request meetings with any or all respondents

A. NOTIFICATION OF RESULTS

The Authority will make public the official List of Qualified Advisors to the PPPA as notification to the respondents and the public.

B. USE OF THE LIST

The Authority may, at its discretion, and from time to time:

1. use the List to identify providers of advisory services with experience in specific projects or tasks;

2. use the List on behalf of other Government entities; or

3. make the List available to a participating Government entity in connection with a given PPP project, capital project, proposed project, and other distinct tasks concerning the work performed by the PPPA. The retention and instruction of advisors in association with other Government entities will be at the discretion of the particular Government entity involved.

The Authority and the Participating Government Entity will have the right, at their discretion, to:

1. invite any or all qualified advisors on the List to participate in selection processes for one or more projects;

2. develop and implement processes and criteria for identifying, classifying, and selecting qualified advisors from the List;

3. directly select qualified advisors from the List to enter into one or more agreements with the PPPA;

4. not engage any qualified advisor in the List in connection with a project or task;
5. not utilize the List in any way whatsoever, including without limitation, by not selecting any qualified advisor to enter into, or by not inviting any qualified advisor to compete for any one or more contracts;

6. employ other means or mechanisms to identify prospective advisory services external to the List or otherwise engage advisory services external to the List, in connection with any PPP project, capital project, proposed project, distinct tasks in connection with PPPA projects, or related policy development; and

7. screen qualified advisors for conflicts of interest or other relationships that require them to commit to strict confidentiality obligations.

There is no obligation whatsoever on the Authority or any other Government entity to:

1. contact any one or more qualified advisors on the List;

2. consider or invite any one or more qualified advisors to enter into, or compete to enter into, any contracts or engagements; and

3. to enter into one or more contracts or engagements.

The PPPA would like to state that any assignment to a Qualified Advisor will be subject to the following Laws of Puerto Rico: Code of Ethics for Contractors, Law No. 84-2002, as amended, Law 237 of 2014 regarding Professional and Advisory Services Agreements, which amends Law No. 29-2009, and Law No. 458 -2000.

C. WITHDRAWAL FROM THE LIST
Any qualified advisor may withdraw from the List by sending a formal request addressed to Omar Marrero Diaz, Esq., Executive Director of the PPPA to apppr@bgfpr.com.

D. REJECTION OF RESPONSES
The PPPA reserves the right, in its sole complete discretion, to reject any response received as a result of this RFQ.

E. INCURRING COSTS
The PPPA is not responsible for any expense incurred in preparing and submitting a response to this RFQ or taking any action in connection with the selection process, or for the costs of any services performed by any Firm prior to the execution of a contract with the PPPA. Moreover, each respondent acknowledges that it is solely responsible for all costs it incurs in preparing a response, including costs of providing information requested by the PPPA, and for subsequent negotiations or competitions arising from, or in connection with, a contract, if any.
F. NO COLLUSION

Each potential qualified advisor is held responsible for ensuring that its participation in this RFQ process is conducted without collusion or fraud.
V. APPENDIX – A

**INFRASTRUCTURE / P3 REFORM – P3 Program**

The initial stage of the P3 program includes launching of ~$5B of projects during the 2017-2019 calendar years that have been identified and are in project preparation.

<table>
<thead>
<tr>
<th>P3 Project Identification</th>
<th>Key Considerations in the Overall P3 Implementation</th>
<th>P3 Key Target Areas %</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identified initial list of priority projects with P3 potential</td>
<td>• Project sequencing is designed to effectively progress the advancement of projects and avoid major obstacles in the shortest timeline possible. Thus, progression goes from easily executable/advanced permitting to more difficult/less advanced projects</td>
<td>Water Other</td>
</tr>
<tr>
<td>• Assessing project business cases and impact on the economy</td>
<td>• Need to promote and improve funding models to use private funds, where relevant, as leverage to maximize the unused federal funds current available</td>
<td>Waste mgmt</td>
</tr>
<tr>
<td>• Split into 3 groups based on projected sequencing, designed to launch in 2017, 2018 and 2019</td>
<td>• Need to further expand P3 pipeline by requesting identification of new projects with P3 potential from government heads, monetizing non-essential services with market interest and precedent, additional infrastructure concessions, and pursuit of strategic P3 categories</td>
<td>Energy</td>
</tr>
</tbody>
</table>

**10-Year Impact**

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-17</td>
<td>Q1-18</td>
<td>Q1-19</td>
</tr>
<tr>
<td>Q2-17</td>
<td>Q2-18</td>
<td>Q2-19</td>
</tr>
<tr>
<td>Q3-17</td>
<td>Q3-18</td>
<td>Q3-19</td>
</tr>
<tr>
<td>Q4-17</td>
<td>Q4-18</td>
<td>Q4-19</td>
</tr>
</tbody>
</table>

- **Group 1 Projects**
  - Launch Group 1 Projects
  - Estimated value ~$1B

- **Group 2 Projects**
  - Invest in preparing Group 2
  - Data gathering, due diligence, etc.
  - Launch Group 2 Projects
  - Estimated value ~$2B

- **Group 3 Projects**
  - Invest heavily in preparing Group 3
  - Data gathering, due diligence, etc.
  - Launch Group 3 Projects
  - Estimated value ~$2B

(Project timeline includes P3 concessions included in Externalization measures)

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1 Based on existing level of detail, known roadblocks, project complexity 2 May include parking, National Parks, government-owned hotel properties, Puerto Rico lottery, state insurance fund, parking 3 May include regional airports, passenger ports 4 E.g. express lanes with dynamic tolling on existing congested roadways, broadband, infrastructure P3s including real estate funded infrastructure development.
VI. APPENDIX – B

### P3s and Infrastructure Projects 10-Year Impact Highlights

<table>
<thead>
<tr>
<th>Project Category</th>
<th>Investment</th>
<th>Capital Improvement</th>
<th>Total 10-Year Capital Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-Size Water Compact Plant</td>
<td>$7MM</td>
<td>$7MM</td>
<td>$4.5B</td>
</tr>
<tr>
<td>Resource Recovery Plant</td>
<td>$1.01B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Revenue Water &amp; Wastewater</td>
<td>$400MM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Renewable Energy Projects</td>
<td>$115MM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternate Fuels Source Facility in the Northern Region</td>
<td>$368MM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operate Property Collection System</td>
<td>$211MM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manzatizaion of Certain Toll Roads</td>
<td>$400MM</td>
<td>$265MM</td>
<td>$796MM</td>
</tr>
<tr>
<td>Natural Gas Plant Costa Sur</td>
<td>$796MM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Gas Plant Aguadilla</td>
<td>$1.75MM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Medical Center &amp; Psychiatric Hospital</td>
<td>$750MM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension of PR-22</td>
<td>$175MM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UPR Student Life / Capital Project</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total 10-Year Capital Investment

- **$4.5B**

### Total Jobs Created (Direct, Indirect & Induced)

<table>
<thead>
<tr>
<th>Project Category</th>
<th>Jobs Created</th>
<th>Total 10-Year Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-Size Water Compact Plant</td>
<td>158</td>
<td></td>
</tr>
<tr>
<td>Resource Recovery Plant</td>
<td>21,000</td>
<td></td>
</tr>
<tr>
<td>Non-Revenue Water &amp; Wastewater</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td>New Renewable Energy Projects</td>
<td>2,588</td>
<td></td>
</tr>
<tr>
<td>Alternate Fuels Source Facility in the Northern Region</td>
<td>8,303</td>
<td></td>
</tr>
<tr>
<td>Operate Property Collection System</td>
<td>473</td>
<td></td>
</tr>
<tr>
<td>Manzatizaion of Certain Toll Roads</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td>Natural Gas Plant Costa Sur</td>
<td>5,967</td>
<td></td>
</tr>
<tr>
<td>Natural Gas Plant Aguadilla</td>
<td>17,901</td>
<td></td>
</tr>
<tr>
<td>New Medical Center &amp; Psychiatric Hospital</td>
<td>3,958</td>
<td></td>
</tr>
<tr>
<td>Extension of PR-22</td>
<td>16,875</td>
<td></td>
</tr>
<tr>
<td>UPR Student Life / Capital Project</td>
<td>3,938</td>
<td></td>
</tr>
</tbody>
</table>

- **Total 10-Year Jobs Created: 100,443**