



GOBIERNO DE PUERTO RICO  
COMPAÑÍA DE FOMENTO INDUSTRIAL

## PUBLIC NOTICE

### Public Request for Proposals (RFP) for Third-Party Manager for Industrial and Commercial Properties Currently Owned and Managed by PRIDCO

**RFP FY2023-0001**  
**Addendum No. 2**  
**Issued December 20, 2022**

This addendum is hereby incorporated into the RFP referenced above. The following items are clarifications and responses to questions received from potential candidates and shall take precedence over the original documents.

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*The answers to questions received from prospective respondents to the RFP included herein do not constitute a binding obligation of PRIDCO and will be superseded by the terms and conditions of a final agreement to be negotiated between PRIDCO and the selected Third-Party Manager.*

*PRIDCO reserves the right to accept or reject, in whole or part, and without further explanation, any or all Proposals submitted and/or cancel the RFP with or without reissuing this RFP or another version of it, if it deems that doing so is in the best interest of PRIDCO or the Government of Puerto Rico. This RFP may be cancelled by PRIDCO for any reason including, without limitation, for convenience, lack of funds or, if in PRIDCO's sole discretion, none of the Proposals meet its requirements or fulfills its needs for the proposed engagement. PRIDCO, at its sole discretion, also may reject any Proposal that does not meet the requirements of this RFP or that is not in compliance with applicable local, State or Federal laws, rules, or regulations. PRIDCO reserves the right to waive any informalities and/or irregularities in a Proposal if it deems that doing so is in the best interest of PRIDCO or the Government of Puerto Rico.*



Section 2 INTRODUCTIONS:

1. Will the third-party managers be responsible for leading the pursuit and capture of federal monies? [2.2 Intent]
  - No. PRIDCO will continue leading the pursuit and capture of federal monies. Nonetheless, respondents to the RFP are expected to have the capacity and knowledge to assist PRIDCO in the management of Federal Emergency Management Agency (FEMA) and Community Development Block Grant- Disaster Recovery (CDBG-DR) funded projects.
2. Can the third-party managers also identify, and if applicable, pursue and capture additional federal funds through new legislation, such as, the CHIPS & Science Act of 2022, the Inflation Reduction Act of 2022, and Infrastructure Investment and Jobs Act? [2.2 Intent]
  - Any added value that respondents to the RFP may want to propose on this front will be considered by PRIDCO in its evaluation.
3. Will PRIDCO have an opportunity to pursue the remaining allocation \$1.247.2 billion in remaining American Rescue Plan funding (as of 11/23/22)? [2.2 Intent]
  - Any added value that respondents to the RFP may want to propose on this front will be considered by PRIDCO in its evaluation.
4. What are the expected payment terms? [Section 2.3, p. 9]
  - Respondents to the RFP should provide the expected payment structure and level based on the scope of services requested in the RFP and based on industry best practices.
5. What are the expected payment and reimbursement terms and frequencies? [Section 2.3, p. 9]
  - Respondents to the RFP should provide the expected payment structure and level based on the scope of services requested in the RFP and based on industry best practices.

Section 3 GENERAL INFORMATION:

6. What is the expected deployment timeline after the selected Proponent's announcement? [Section 3.1, p. 9]
  - Respondents to the RFP should provide their proposed deployment and transition plan, including timing. Refer to Section 4.1 of the RFP.



7. Is there a list or some type of resource of local subcontractors or professionals? [Sec 3.4 pag. 11]
- This information will be shared with the selected Third-Party Manager. Please refer to "Administración de Servicios Generales" (ASG) and Office of Controller of Puerto Rico websites for all subcontractors and professionals engaged by PRIDCO.

Section 4 SCOPE OF SERVICES:

8. Can more data be provided on PRIDCO's current employees? Potentially a breakdown of positions & job descriptions, organizational chart, etc. [Sec. 4.1 P.13]
- Refer to Data Room document # 3 for current organizational chart and new documentation included on positions profiles including additional detail on duties and tasks.
9. Does PRIDCO find itself engaged currently with any third-party consultants that must be retained into the future? [Sec. 4.1 P.13]
- PRIDCO currently engages different third-party consultants depending on required services. (All services already contracted will continue until completion of the contract and services, which for the majority of cases run through June 30, 2023). Services for property administration duties, once the current contracts expire, will be performed, and covered by the appointed Third-Party Manager. Additionally, PRIDCO has a Third-Party Project Coordinator dedicated to support PRIDCO with Federal Funding process that will continue with these duties. Additional information and contracts will be shared with the selected proponent.
10. Will PRIDCO's Financial Accounting System be the required property management program or is PRIDCO looking for proponent to provide the system to be used? [Page 4, 13 & 16]
- PRIDCO is looking for the selected Third-Party Manager to provide the system to be used. Specifically, proponents must include in their proposals a description of the information and real estate management systems to be used should they be selected under this RFP, which shall encompass inter alia, data migration process, lease administration, customer relationship management, property maintenance, financial reporting, and real time analytics (see page 17 of RFP).
11. Will proponent be responsible for the leasing of approximately, 25% of vacancy? [Page 7]
- Yes, the selected Third-Party Manager will be responsible for leasing efforts of vacant properties that are not otherwise earmarked for divestment. The selected Third-Party Manager will be responsible for customary asset management activities, such as developing, maintaining, and disposing of properties in the most cost-effective manner, as well as, all property management activities including lease negotiation and administration, rent collections, oversight of maintenance and repairs, and communications with tenants among other services within industry practices as a full-service, asset management company.



12. Are the referenced employees mentioned to remain with PRIDCO or be hired by the Proponent? Is it employees' option or does proponent have the right to determine, if and who is transitioned to proponent employee status? Who are employee referenced and what are their respective duties, pay and benefits? Are the referenced employees union labor? [Pages 7 & 13]

- All PRIDCO employees will continue to be employed by PRIDCO. All matters related to the internal personnel of PRIDCO will be managed by PRIDCO's Human Resources Department. The Third-Party Manager will not be responsible for PRIDCO employees' salaries, benefits, Union matters, etc. The selected Third-Party Manager may, at its sole discretion, interview PRIDCO employees and offer employment opportunities. The ultimate decision on whether to remain at PRIDCO or accept employment with the proponent, if offered, rests with the employee.
- On the other hand, Section 4.1 of the RFP provides that all proponents shall provide a Detailed Plan which includes, without limitation, the following: (1) how they plan on utilizing current PRIDCO employees within the proposed operations and (2) provisions for the transitioning of PRIDCO employees that might become interested in transferring permanently to work and perform duties for the selected Third-Party Manager.

13. PRIDCO's role is to serve as asset manager, however, 4.2 has asset management duties as part of the proponent's duties. How do they differ. [Page 8]

- The main purpose and objective of the RFP initiative is to transfer asset and property management duties to the selected Third-Party Manager as described in the RFP and PRIDCO's Fiscal Plan.

14. It describes one of the duties as maintaining complete inventory and database of properties, etc. Does this currently exist? If we were interested in a portion of the portfolio, what are the markets and how do we make our bid specific to our preferred market? How much space is occupied by PRIDCO and who occupies the remainder: Rent Roll? [Pages 4, 4.2,8,9 & 12]

- Yes, PRIDCO maintains an inventory and database of its properties. Please refer to document #9 in the Data Room (PRIDCO Inventory Overview & Listing). However, one of the objectives of outsourcing asset and property management duties is to make sure that a thorough analysis of all properties for which asset and property management duties are transferred to a Third-Party Manager is reviewed and updated, as needed, to ensure that existing data is accurate, complete and up to date.
- At this time, PRIDCO will only evaluate proposals either exclusively for the Trusteed property portfolio or for all properties including Trusteed and Non-Trusteed, which may include sub-contractors or joint venture agreements for different regions or markets. Refer to RFP definition section on page 5 & 6 and section 4 Scope of services.
- As stated in Section 4 of the RFP, in developing estimated fees for the required scope of services, respondents to the RFP shall provide two separate fee structures: (i) a fee estimate to provide the requested services exclusively for the Trusteed Properties and (ii) a fee estimate to provide the requested services for all Properties, including Trusteed and Non-Trusteed Properties.



- Detail of current tenants will be discussed with the awarded proponent. Refer to Document #9 in the Data Room (PRIDCO Inventory Overview & listing).
15. What form will the weekly status report take, written or meeting? Will this requirement be for the term of the agreement or just during the transition? [Page 14]
- Frequency, duration, and format will be agreed upon with selected Third-Party Manager.
16. Is there a current rent roll and does it identify the tenants referenced in page 15, as leases with economic development purposes? Is there a list of active FEMA or Block Grant projects? What is their status? [ Pages 15 & 16]
- Yes, PRIDCO maintains an inventory and database of properties. Please refer to document #9 in the Data Room (PRIDCO Inventory Overview & Listing). Names and details of tenants will be discussed with the selected Third-Party Manager.
  - Yes, PRIDCO maintains an inventory of FEMA and Block Grant projects. Additionally, PRIDCO has a Third-Party Project Coordinator dedicated to support PRIDCO with Federal Funding process that will continue with its current duties. Respondents to the RFP are expected to have the capacity and knowledge to assist PRIDCO in the management of Federal Emergency Management Agency (FEMA) and Community Development Block Grant- Disaster Recovery (CDBG-DR) funded projects, although ultimate responsibility will remain with PRIDCO. Additional details will be discussed with the selected Third-Party Manager.
17. Does the centralized data collection system exist currently or are there options being reviewed? [Page 17]
- Yes, PRIDCO currently has a centralized data collection system for its property portfolio. Nevertheless, PRIDCO is looking for the selected Third-Party Manager to provide the real estate information and management system to be used based on industry best practices. The respondents to the RFP must include in their proposals a description of the information and real estate management systems to be used should they be selected under this RFP, which shall encompass inter alia, data migration process, lease administration, customer relationship management, property maintenance, financial reporting, and real time analytics (see page 17 of RFP).
18. If the Board approved the divestment of a certain property or properties; will proponent be responsible for the disposition? [Page 17]
- Yes, sale/disposition of any properties approved solely by PRIDCO's Board of Directors will be the responsibility of the selected Third-Party Manager. Specific details and sales transactions considerations will be agreed upon contract negotiations.



19. Please, indicate what services are within scope in the case of Trusteed sites and Non Trusteed sites.

- PRIDCO has requested that respondents to the RFP provide a fee structure assuming property and asset management duties are transferred (i) only for the Trusteed properties and (ii) a fee structure assuming duties for all properties (Trusteed and Non-Trusteed) to be transferred to the Third Party-Manager. In the event that Non-Trusteed properties are included, services would be the same as for Trusteed properties. Refer to RFP definition sec. on page 5 & 6 and sec. 4 Scope of services.

20. What kind and level of property inventory and mapping do you have at present in place?

- PRIDCO maintains an inventory and database of its property portfolio. Please refer to Document #9 in the Data Room (PRIDCO Inventory Overview & Listing). However, one of the objectives of outsourcing asset and property management duties is to make sure that a thorough analysis of all properties for which asset and property management duties are transferred to a Third-Party Manager is reviewed and updated, as needed, to ensure that existing data is accurate, complete and up to date. Refer to the following link for properties details and mapping: [PRIDCO http://gis.jp.pr.gov/2013\\_RecibidorGeoComentarios/pridcoA.html](http://gis.jp.pr.gov/2013_RecibidorGeoComentarios/pridcoA.html)

21. Please, indicate the specific elements to be maintained in the common areas (ex. roads, pavements, sidewalks, fire hose cabinets, property fencing, gates, etc.) [RFP Section 4.4, Property Management p. 15]

- The selected Third-Party Manager will be responsible, pursuant to the requirements of Section 4.3 of the RFP, for the maintenance of industrial parks' common areas including among other: roads, pavements, sidewalks, fire hose cabinets, property fencing, gates, etc.

22. Please, indicate the specific sites that would require "special facilities" maintenance, and if possible, please specify which elements on each site (ex. substations, transformers, etc.) [RFP Section 4.4, Property Management p. 15]

- List of specific sites and elements considered "special facilities" will be provided to the selected Third-Party Manager.

23. Please, share the portfolio information (ex. site, address, sq. ft.) for the sites to be under property management. [RFP Section 4.4, Property Management p. 15].

- PRIDCO maintains an inventory and database of properties that is available. in the Data Room under Document #9 (PRIDCO Inventory Overview & Listing). One of the objectives of outsourcing asset and property management duties is to make sure that a thorough analysis of all properties for which asset and property management duties are transferred to a Third-Party Manager is completed to ensure that existing data is accurate, complete and up to date. Please refer to the following link for properties details and mapping: [PRIDCO \(http://gis.jp.pr.gov/2013\\_RecibidorGeoComentarios/pridcoA.html\)](http://gis.jp.pr.gov/2013_RecibidorGeoComentarios/pridcoA.html)



24. Are you expecting data migration from legacy systems? Do they have APIs? Do you have a software for each scope? (Property management, reporting, Portfolio management, etc?) [RFP Section 4.5, Property Management p. 16].

- Yes, data migration is expected from legacy system. Currently PRIDCO has an integrated in-house system for property portfolio management, collections, reporting, etc. Nevertheless, PRIDCO is looking for the selected Third-Party Manager to provide the real estate information and management system to be used based on industry best practices. Specifically, the respondents to the RFP must include in their proposals a description of the information and real estate management systems proposed, which shall encompass inter alia, data migration process, lease administration, customer relationship management, property maintenance, financial reporting, and real time analytics (see page 17 of RFP).

25. What is the expected Transition time? [Section 4.1, p. 12]

- Respondents to the RFP should provide their proposed deployment and transition plan, including timing. Refer to Section 4.1 of the RFP.

26. Which entity covers litigation costs, i.e., rent collection, evictions, breach of contract? [Section 4.3, p.14]

- The selected Third-Party Manager will be responsible for all tenant management actions, included in sec. 4.3 of RFP. Once the collection efforts are exhausted and fruitless, Third-Party Manager shall make final recommendation to commence legal action. Once recommendation is approved, PRIDCO's legal department will assume control of legal actions.

27. Will PRIDCO remain as the employer concerning PRIDCO employees?

Who will make the employment decisions regarding PRIDCO employees?

What process will be implemented to make employment decisions regarding PRIDCO employees? How to obtain current PRIDCO employee qualifications, roles, duties, and wages to determine how to be used within the proposed operations and related matters. Are there any requirements to consider for any permanently transitioned PRIDCO employees, i.e., duty to maintain actual wages and benefits, etc.? [Section 4.1, p. 12]

- All PRIDCO employees will continue to be employed by PRIDCO. All matters related to the internal personnel of PRIDCO will be managed by PRIDCO's Human Resources Department. The selected Third-Party Manager will not be responsible for PRIDCO employee salaries, benefits, Union matters, etc. The selected Third-Party Manager may, at its sole discretion, interview PRIDCO employees and offer employment opportunities, although ultimate decision on whether to remain at PRIDCO or accept employment with the selected Third-Party Manager rests with the employee.
- On the other hand, Section 4.1 of the RFP provides that all respondents to the RFP shall provide a detailed plan which includes, without limitation, the following: (1) how they plan on utilizing the current PRIDCO employees within the proposed operations and (2)



provisions for the transitioning of PRIDCO employees that accept employment opportunities that may be offered by the selected Third-Party Manager.

- Please refer to Document #3 in the Data Room for a current organizational chart and new documentation included regarding position profiles and additional detail on duties and responsibilities.

28. Is the system also required to have employee and vendor payment capacities, or is a different processing system required? [Section 4.5, p. 16]

- The selected Third-Party Manager will not be responsible for any PRIDCO employee payments and/or matters, unless any PRIDCO employee is offered and accepts employment with the selected Third-Party Manager.
- PRIDCO is looking for the selected Third-Party Manager to provide the information and real estate management system to be used based on industry best practices. Specifically, respondents to the RFP must include in their proposals a description of the proposed information and real estate management systems, which shall encompass inter alia, data migration process, lease administration, customer relationship management, property maintenance, financial reporting, and real time analytics (see page 17 of RFP).
- Subcontracted services, as deemed necessary by the selected Third-Party Manager to fulfill its duties, will be the responsibility of the selected Third-Party Manager.

29. Where will the funds for processed payments to employees and vendors come from? [Section 4.5, p. 16]

- The selected Third-Party Manager will not be responsible for any PRIDCO employee payments and/or matters.
- Payment for subcontracted services, as deemed necessary by the selected Third-Party Manager to fulfill its duties, will be the responsibility of the selected Third-Party Manager.

30. Will these funds be available upon processing, or are there any prior authorization requirements? [Section 4.5, p. 16]

- Payments for subcontracted services, as deemed necessary by the selected Third-Party Manager to fulfill its duties, will be the responsibility of the selected Third-Party Manager.

31. Who covers data migration costs for implementation? [Section 4.5, p. 17]

- The selected Third-Party Manager will be responsible to cover data migration for the real estate management systems to be implemented as part of the requirements of Section 4.5 of the RFP.



32. Who covers operational costs? [Section 4.5, p. 17]

- The selected Third-Party Manager will be responsible for operational costs associated with the functions for which it is selected, including the cost of the information and real estate management systems to be implemented as part of requirements of Section 4.5 of the RFP.

33. Please provide a demonstration and more information on PRIDCO's Financial Accounting System.

- PRIDCO currently has an integrated in-house system for property portfolio management, collections, reporting, etc. Nevertheless, PRIDCO is looking for the selected Third-Party Manager to provide the real estate information and management system to be used based on industry best practices. Specifically, the respondents to the RFP must include in their proposals a description of the information and real estate management systems to be used should, which shall encompass inter alia, data migration process, lease administration, customer relationship management, property maintenance, financial reporting, and real time analytics (see page 17 of RFP). Refer to Document #7 in Data Room (Feasibility Study). Additional information and demonstrations will be shared with the selected proponent.

34. Can you share the property condition reports for the PRIDCO properties (trusted and non-trusted)? [ RFP Pg13: 4.2]

- This information will be shared with the selected Third-Party Manager. Refer to document #9 in Data Room (PRIDCO Inventory Overview & Listing).

35. Can the selected Third-Party Manager offer a collections services agreement plan on past due debt that is not under a legal payment plan or already written off?

- The selected Third-Party Manager will be responsible, pursuant to Section 4.3 of the RFP, for all tenant management actions including rent collections, fees, and late charges, and collecting and disbursing security and other deposits per current PRIDCO procedures. Any deviation from the established procedures i.e., settlements, debt forgiveness, special agreements, must be approved by PRIDCO's Board of Directors.

Section 6. PROPONENT REQUIREMENTS:

36. Further detailed explanation of liability to Third-Party Manager as it relates to bullet eight in this section. [Sec. 6.3 P.23]

- Third-Party Manager will be responsible for all claims related to its performance of all the obligations established in the contractual agreement with PRIDCO as Third Party Manager.



37. Is it PRIDCO's intent that the Third-Party Manager be responsible on a primary basis for premises claims or will PRIDCO be primarily responsible and the Manager responsible only when proven to be negligent? [RFP Section 6.3, Insurance Requirements p. 22]

- Yes, the selected Third-Party Manager will be responsible on a primary basis for premises claims on all PRIDCO properties of the awarded portfolio.

38. Is it PRIDCO's intent that the Third-Party Manager be responsible on a primary basis for property damage claims at the premises, including the buildings, contents and loss of income? Is the intent of this section to ensure that the Third-Party Manager is insured for its own personal property at the buildings during the conduct of its operations. [RFP Section 6.3, Insurance Requirements p. 22]

- Yes, the selected Third-Party Manager will be responsible on a primary basis for premises claims on all PRIDCO properties of the awarded portfolio. The master insurance policy will have to cover the Multi Tenants Buildings: (this coverage is purchased by PRIDCO and invoiced to the TENANT) and all vacant properties, for the basic shell only, no contents and loss of income is covered. The selected Third-Party Manager will be responsible for the renewal of the master policy and continue to manage insurance services for the Multi Tenants Buildings and vacant properties portfolio for the contracted period. Additional information will be shared with the selected proponent.
- Rented buildings insurance coverage is required to be provided and covered by tenant. Refer to "ARTICLE XV INSURANCE" under documents #10, #11 and #12 in the Data Room for insurance clauses and requirements for Typical Buildings under lease agreements.
- Section 6.3. Also includes insurance requirements for the Third-Party operation on behalf of PRIDCO with the scope of services to be rendered.

39. Is the Third-Party Administrator indemnified against claims, i.e., EPA litigation, PRIDCO employees' litigation, outstanding employee and/or vendor payments? [Section 6.3, p. 22]

- The selected Third-Party Manager will not be responsible for any PRIDCO employee payments and/or matters.
- The selected Third-Party Manager will be responsible for vendor claims since subcontracted services, as deemed necessary by the selected Third-Party Manager to fulfill their duties, will be the responsibility of the selected Third-Party Manager.
- The selected Third-Party Manager will be responsible on a primary basis for premises claims on all PRIDCO properties of the awarded portfolio regarding environmental matters such as EPA claims. In case of any legal litigation, PRIDCO legal department will manage legal case.



General Questions:

40. Can you provide an update on the Golden Tree forbearance agreement? Standstill Agreement scheduled to expire September 30, 2022. [PRIDCO Financial Statements June 2020, Pg 17]
- The standstill agreement expired on October 31, 2022. PRIDCO and AAFAF continue committed to resolving PRIDCO's financial obligations through consensual negotiations with its creditors.
41. Will the asset manager be responsible to pay Golden Tree from PRIDCO rental funds? [ PRIDCO Financial Statements June 2020]
- The expectation is that debt service on PRIDCO's debt, when restructured, will be payable from PRIDCO's operating revenues.
42. Is the monthly payment to Golden Tree totaling \$672,354.38 per month already reflected in the Financial Statements? [ PRIDCO Financial Statements June 2020]
- Between April 2021 and October 2022, PRIDCO made monthly payments of \$672,354 under several standstill agreements with a majority of its revenue bondholders. Such payments will be reflected in the financial statements for the applicable periods.
43. Please provide operating pro-formas for the last three (3) fiscal years. [ PRIDCO Financial Statements June 2020]
- Please refer to Document #4 and #5 in the Data Room, and PRIDCO's certified fiscal plan (Data Room Document #1).
44. Can you share the capital spending schedule if available per property? [Capex Study- RFP Pg8]
- Property-level information will be shared with the selected Third-Party Manager. Respondents to the RFP may refer to the PRIDCO Expanded CapEx Study prepared by the Oversight Board and available in the Data Room Document #06.
45. What will be the source of capital for capital expenditures? Rental income? COR3/FEMA? CDBG? Government Spending?
- Capital expenditures will be funded from PRIDCO's own resources and federal funds allocated to PRIDCO under several programs, including FEMA.
46. Please clarify how rental funds will be provided to manager to pay operating expenses and capital needs?
- Respondents to the RFP should provide the expected payment structure and level based on the scope of services requested in the RFP and based on industry best practices. Final payment



structure and process will be discussed and agreed to between PRIDCO and the selected Third-Party Manager.

47. Can you provide the location coordinates to all properties located in the Property Inventory Overview Excel Spreadsheet? [Property Inventory Overview & Listing Excel Spreadsheet]

- Refer to the following link for properties details and mapping by Project number ID included in inventory spreadsheet: [PRIDCO \(http://gis.jp.pr.gov/2013\\_RecibidorGeoComentarios/pridcoA.html\)](http://gis.jp.pr.gov/2013_RecibidorGeoComentarios/pridcoA.html)

48. Are the property rent revenues gross or triple net? [PRIDCO Financial Statements]

- Please refer to leasing contract examples in the Data Room Documents #10, #11 and #12. Also, refer to Overview tab of Document #9 in the Data Room.

49. Please confirm that the Third-Party Manager will be the exclusive Asset, Tenant, and Property Manager for the Portfolio and the exclusive leasing agent and real estate broker in any leasing or sale of any property in the Portfolio.

- Currently PRIDCO has published an RFP to evaluate an external Third-Party Manager to perform the Asset, Tenant, and Property Manager activities. Nonetheless, if PRIDCO selects a Third-Party Manager to perform these activities as included in RFP section 4 Scope of services, PRIDCO will maintain current employees and will continue to perform and assist the selected Third-Party Manager in these activities, as also specified in the RFP. PRIDCO has other agencies performing the marketing and publicity over the properties. PRIDCO, as owner of the properties, will ultimately determine the best alternative for the portfolio. Additional details and matters will be established in the agreement between PRIDCO and the selected proponent.

50. In the event of the transfer or leasing of any property of the Portfolio to a public entity (e.g., public corporation, department, municipality), will Third-Party Manager be entitled to a real estate broker fee?

- No.

51. Are there any industrial/promoting tax incentives or tax benefits available to Third-Party Managers as part of its services to tax-exempted entities and supporting PRIDCO's promotion mandate?

- No.

52. Can the Asset Management services be subcontracted? If so, is a Letter of Intent or Memorandum of Understanding sufficient at this stage? [See definition of Team Member on page 6]

- Yes, although the selected Third-Party Manager must disclose in its proposal the name and role of any sub-contractor that will be involved in carrying out the responsibilities of the Third-Party



Manager. The costs of any sub-contracted services of the selected Third-Party Manager to fulfill its duties, will be the responsibility of the Third-Party Manager.

53. Is the Third-Party Manager required to undergo an RFP/public auction process when subcontracting services? If not, what is necessary to comply with subcontracting requirements?

The selected Third-Party Manager, as a private entity, will not be required to undergo RFP or similar procurement processes for sub-contracted services. However, the selected Third-Party Manager must disclose in its proposal the name and role of any sub-contractor that will be involved in carrying out the responsibilities of the Third-Party Manager. The costs of any sub-contracted service of the selected Third-Party Manager will be the responsibility of the Third-Party Manager.

54. Since PRIDCO pays for sub-contracted services, what are the payment terms and frequency?

- Costs of any sub-contracted services of the selected Third-Party Manager deemed to be necessary to fulfill their duties will be the responsibility of the Third-Party Manager. Respondents to the RFP should provide the expected payment structure and level based on the scope of services requested in the RFP and based on industry best practices.

55. Will PRIDCO assume liability for such payments?

- No, costs and liability of any sub-contracted services of the selected Third-Party Manager to fulfill their duties, will be the responsibility of the Third-Party Manager.

56. Is PRIDCO considering extending the deadline to submit the RFP? If so, when could we expect to notice those effects?

- Refer to Section 3.1 in page 9 in the RFP and Addendum #1 with extended deadline for submission of respondent questions. Any additional changes, if any, will be published in PRIDCO's, DDEC's and AAFAF's websites.