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The P3A announces 10 Priority Projects and the final approval of its regulations

The Puerto Rico Public-Private Partnerships Authority (P3A) has determined to proceed with ten Priority Projects of which eight will be of immediate action. In addition, the P3A announced the final approval of its *Regulation for the Bidding, Evaluation, Selection, Negotiation and Awarding of Public-Private Partnerships Contracts under Act No. 29 of June 8, 2009*, which institutes the procedural framework for the establishment of Public-Private Partnerships (PPP).

These findings were the result of the latest meeting of the Board of Directors of the PPPA, which occurred on December 19, 2009. “The determinations made by the Board of Directors reflect the sense of urgency to address high-priority projects designed to benefit everyone in Puerto Rico. For example, these immediate projects will reduce the cost of electricity, improve the physical condition of our schools in order to better support student achievement, strengthen our competitiveness as a tourist and business destination in the Caribbean, build new highways and invest to improve the conditions of the existing highways, and improve the reading of water meters,” said Carlos M. García, Chairman of the Board of Directors of the PPPA.

Garcia also said that “the Regulations for the Establishment of Partnership Projects has been approved, which was enhanced by two rounds of public comment that lasted for 35 days and that establishes an orderly and transparent process for carrying out such projects. We are very pleased with the decisions achieved and excited about the work we will undertake with these projects.”

The ten projects approved by the PPPA are intended to address challenges that all of Puerto Rico faces and that affect the economy, limit the ability to create jobs and negatively impact the competitiveness of the island. These ten projects are divided into a group of eight projects of immediate action and two other projects that must still complete phases of internal analysis. Immediate action for the first eight projects completed means that the PPPA will complete the Studies of Desirability and Suitability that is required by law and the regulation of the PPP and proceed with Requests for Qualifications (RFQs) of bidders at the end of first quarter of the 2010 calendar year. The other two remaining projects will have their Studies of Desirability and Suitability and RFQs of bidders completed during the second quarter of 2010. The table below summarizes the projects and its benefits for Puerto Rico.

Moreover, the regulation approved not only strengthens the legal framework that regulates APP but also provides transparency and clarity about the different steps and items available for the establishment of a PPP in Puerto Rico. The regulation will proceed with approved projects and others in the future. The regulation had two rounds of public comments, the first round lasted twenty days, from September 3 to September 23, 2009 and the second round was seventeen days between November 20 and December 7, 2009, giving the public the opportunity to express ideas and suggestions to improve it. A large number of public comments from both the local and international public with interest and experience in PPPs were received. In addition, the rules were integrated elements of best practices followed in other countries with as much as extensive experience as Canada.

“Puerto Rico will grow and create jobs. These projects that the PPPA Board approved to proceed to the next stage are important for Puerto Rico and help in avoiding to lose another decade of economic growth. In 2010, we have to achieve progress and the advancement of these projects now that Puerto Rico cannot lose a day in its economic development. For this reason, the PPPA will keep us focused and working hard to meet this goal,” said David Alvarez, Executive Director of the PPPA.

In addition, the PPPA has determined to proceed with a comprehensive study on the technical and financial viability of fast-track buses or Bus Rapid Transits (BRTs) that have been proposed across the Island. This will

make sure that Puerto Rico does not undertake projects without first ensuring their viability in short, medium and long terms.