July 22, 2011

To All Prospective Proponents

Request for Qualifications to acquire a Concession to Finance, Operate, Maintain and Improve the Luis Muñoz Marín International Airport in Puerto Rico.

DUE DATE: August 8, 2011

Requests for Clarifications # 002 - # 056

Requests for Clarifications (“RFC”) seek to provide additional information on specific questions or matters related to the Request for Qualifications to acquire a Concession to Finance, Operate, Maintain and Improve the Luis Muñoz Marín International Airport in Puerto Rico. The Authority has received some questions that it has elected not to answer because they relate to matters on which full information will be provided to qualified bidders at the next stage of the process. We have also received some questions asking for definition or clarification of terms in the RFQ, such as the types of information to be provided about experience or other qualifications, where we do not believe any further expansion would be useful. Respondents should assume that terms in the RFQ are used in their normal common sense meaning and respond on that basis. Answers are presented in bulleted format. Capitalized terms not defined in this response take the meaning in the Request for Qualifications of July 2011. RFC # 002 to # 056 respond to the matters specified below.
RFC # 002

Section 1.6, Process, states “The intention of the PPP Committee is to have a winning bidder selected by December 31, 2011” while the Press Roundtable RFQ states on the slide titled “Próximos pasos” that “selección y aprobaciones” is to be in “May-2012.” Could you clarify which date you expect the selection of the winning bidder?

RESPONSE

- The PPP Committee is committed to selecting a winning bidder by December 31, 2011. The PPP Committee will make every effort to maintain this timeline. However, the PRPA and the Authority, in the fulfillment of their responsibilities to keep the general public informed about the progress and expectation of the procurement process, have shared a much more conservative timeline with the local press.

RFC # 003

Regarding 1.3, Legislative Framework: If the concession for LMM and/or the request that the FAA grants exemptions is denied, how will the contractor be compensated?

RESPONSE

- As indicated in the RFQ, the Sponsors and their advisors are not responsible for costs incurred by prospective Proponents, Members, subcontractors, or other interested parties in connection with the solicitation process, including but not limited to costs associated with preparing responses, qualifications, and proposals, and of participating in any conferences, oral presentations or negotiations. This applies irrespective of the outcome regarding the final application to the FAA for the proposed Project.

RFC # 004

Regarding point 1.8, Restricted parties: Is there a limit for the involvement of airlines in the consortia?

RESPONSE

- A party is eligible to participate as a Member in a consortium provided they are not a Restricted Party and are in full compliance with the Ethics Guidelines.
RFC # 005

The Authority and the PRPA (collectively, the “Sponsors”) are seeking to achieve their primary objectives of 1) maximizing the upfront value for the Airport, which will allow the PRPA to invest in improvements in Puerto Rico and enhance its bonding capacity and credit worthiness, 2) improving the Airport’s safety standard, service levels and quality), 3) maintain and improve the quality of service to travelers and achieve a higher level of customer satisfaction

a. What are the parameters or criteria under which quality of service will be determined (IATA, ASQ ACI)?

b. What service levels will the Contractor will have to comply?

RESPONSE

• As a general rule, the winning Proponent will have to fully comply with regulations and standards established by federal agencies such as FAA and TSA. Moreover, the winning proponent will be expected to implement global best practices in quality and service levels. More information will be provided during the RFP phase.

RFC # 006

The RFQ states that one of the general objectives of the Project is to “create a world-class gateway to Puerto Rico and increase the Island’s profile as a destination in the Caribbean, in order to positively impact the development of the tourism industry and overall economic prospects in Puerto Rico.”

a. What is the responsibility/commitment of government agencies in helping to create a “world-class gateway to Puerto Rico and increase the Island’s profile as a destination in the Caribbean, in order to positively impact the development of the tourism industry and overall economic prospects in Puerto Rico”?, what kind of incentives will PR Government offer in order to help the Contractor launched the project?

b. Puerto Rico used to be the American Airlines Hub for the Caribbean, what are the plans (Secretary of Tourism, Hotel Association, etc) to invite another airline to establish its HUB in Puerto Rico?
c. Are there any prohibitions for the Government agencies to offer incentives to airlines (including foreign airlines) to motivate them to fly to San Juan? Are there any Government marketing matching funds?

RESPONSE

- The Government of Puerto Rico is committed to strengthening Puerto Rico as a travel destination. More specific information will be made available during the RFP process.

RFC # 007

The Pilot Program permits the contractor to become the airport sponsor eligible to assess a Passenger Facility Charge and receive entitlement and discretionary grants under the Airport improvement program.

a. What do you mean by Airport sponsor Eligible to assess a PFC?, are the Grants offered over the Airport improvement program destined exclusively for CAPEX projects?

RESPONSE

- Please refer to Section 2.4 of the RFQ for further information regarding Passenger Facility Charges and AIP Grants.

RFC # 008

In order to qualify for the FAA Pilot Program, PRPA is currently structuring the PPP Contract and the Use Agreement with the airlines to ensure that the following conditions are met:

The operation of the Airport will not be interrupted if the Contractor experiences bankruptcy or other financial difficulty;

a. Can you elaborate if there are any restrictions by the Proponent and/or the Airport to incur indebtedness to finance any upfront payments as well as future expansion of the Airport?
RESPONSE

- Investing in projects of similar nature and scope always require the use of debt. Further details will be provided during the RFP phase of the procurement.

RFC # 009

In order to qualify for the FAA Pilot Program, PRPA is currently structuring the PPP Contract and the Use Agreement with the airlines to ensure that the following conditions are met:

The Contractor will maintain, improve, and modernize LMM facilities through capital investment, and will submit a plan for these actions

a. What are the investment obligations of the future concessionaire?

b. Is there an updated Master Plan?

c. What will be the difference between the requested plan in 1.3 and the Master Plan mentioned above?

RESPONSE

- Shortlisted Proponents will proceed to the RFP phase in which more details will be provided.

RFC # 010

In accordance with the Pilot Program, FAA approval of the Exemptions is conditioned upon approval of 65 percent of the scheduled air carriers serving LMM, determined both on the basis of landed weight and by number of carriers. The Authority has entered into a Memorandum of Understanding (the “MOU”) in connection with the proposed transaction with airlines representing over 80 percent of the landed weight at the Airport. The MOU sets forth the proposed rates and charges methodology and certain other terms and conditions of a new use agreement to be effective upon consummation of the transaction. Under the MOU, the airlines have agreed to cooperate with the Sponsors in the procurement process, including the actions required to obtain FAA approval.
a. Does the MOU and proposed change to rates and charges methodology affect only fees paid by carriers or does it also cover passenger fees and passenger facility charges?

b. What will happen if the PRPA application is not accepted after the review by FAA?

RESPONSE

- Those Shortlisted Proponents will gain access to a Data Room after successfully executing a Confidentiality and Procedures Agreement (“CPA”). We have already begun and will continue to proceed with active review by the FAA throughout the process in order to eliminate any possibility of not meeting all criteria for final approval.

RFC # 011

The aim of this RFQ is to help the PPP Committee shortlist the best qualified prospective Proponents. The PPP Committee, in making its evaluation of the qualifications of a prospective Proponent, may disqualify a prospective Proponent is the prospective Proponent:

iii. fails to comply with the requirements of Articles 9(a) (Applicable Requirements and Conditions for those who wish to be considered as Proponents) and 9(d) (Consortia) of the Act, as applicable

a. What do you mean by fails to comply with the requirements?

RESPONSE

- Please refer to Section 4.1 of the RFQ for further information regarding the evaluation of these requirements.
RFC # 012

The RFP for the Project, which will include a Confidential Information Memorandum and a detailed and fully-considered draft of a PPP Contract. The PPP Contract will contain, among other matters:

c. The proposed Use Agreement which the Contractor will assume upon the effectiveness of the PPP Contract, which will spell out the terms on which airline rates and charges will be set at the Airport

   a. Can you provide a copy of the Use Agreement?

   RESPONSE

   - The New Use Agreement will be provided to Shortlisted Proponents during the RFP phase.

RFC # 013

To the extent that any prospective Proponent has formed or proposes to form a consortium to participate in the RFP for this Project, such as prospective Proponents should respond to this RFQ jointly setting out to the identity and capabilities of all Members

   a. How do you define Consortium?

   RESPONSE

   - Please refer to Article 9(d) of the Act for a description of a consortium for purposes of this procurement.

RFC # 014

Will responses to the RFQ be allowed to be submitted via postal means? And if so, will responses be accepted by having delivered the documents to the postal company before the deadline established for this RFQ process even if the postal company finally delivers them after the deadline?

   RESPONSE

   - The PPP Committee and the Authority will accept a PDF copy of the RFQ response by electronic mail in case the Proponent considers that their response will not arrive at the PPP Authority on or before 5:00 p.m. (AST) on August 8,
2011. The electronic submission of the PDF copy will have to be received by the PPP Authority on or before 5:00 p.m. (AST) of the due date. The PPP Authority will send receipt confirmations of the electronic copy of the RFQ response and the official RFQ submission when delivered by courier services.

RFC # 015

Regarding Proponent Information and Expected Advisors, we have not yet identified them. Can we just state that in the RFQ’s response, that advisors will be selected later on?

RESPONSE

- Proponents can inform of their plans to engage advisors in case that time constraints did not allow for an identification of expected advisors by the RFQ submission date. However, Proponents are expected to inform the PPP Authority of their Expected Advisors once they have been properly identified or engaged.

RFC # 016

Our original intention is to qualify alone, not as part of a consortium. If we succeed, could we later add a member for the next phase?

RESPONSE

- While the Authority would like to know the details of consortia that have formed at this stage, the Authority understands that Potential Proponents may not have engaged an equity investor. If a Potential Proponent does not include an equity investor in its response, it should demonstrate its “in-house” Financial Capability.

RFC # 017

Section 2.2, Physical Description, refers to a “hotel & casino” as one of the buildings at LMM. Section 2.3, Operations, and Section 3.1, Airport Investment Highlights, do not specifically refer to such hotel or casino. Can you please confirm that the hotel and casino will form part of the concession?

RESPONSE

- PRPA and the PPP Committee intend to include the hotel property as part of the concession. Further details will be provided in the RFP phase.
RFC # 018

The following questions relate to Section 2.4, *Overview of Financial Results*, which states “For the twelve months ended March 31, 2011, EBITDA was approximately $40 million.”

Can you confirm this is actual EBITDA, not pro-forma for the expected new airline agreement or any other adjustments?

**RESPONSES**

- $40 million represents the approximate actual EBITDA for the twelve month period ending March 31, 2011 at LMM and is not pro forma for the new airline agreement. It is based on the existing tariff calculation and cost structure at the Airport.

a. **What is the nature of the “other non-operating revenue” of $4 million contributing to this EBITDA?**

- The $4 million of non-operating revenues includes fuel flowage fees, penalties collected and other fees / reimbursements to the Airport.

RFC # 019

Regarding point, 2.1 Puerto Rico: Will the contractor be obliged to register as a public traded company under U.S. laws?

**RESPONSE**

- A contractor will not be required to register as a publicly-traded company under the laws and regulations of the United States of America. A contractor, however, must comply with all federal and Government of Puerto Rico requirements imposed on companies engaged in a trade or business in the Puerto Rico.
RFC # 020

LMM is owned and operated by the PRPA, as the largest component of the PRPA´s aviation operations. The PRPA provides administrative, financial, maintenance, engineering and planning services to the Airport.

Which of these functions are planned to be transferred to the Airport as part of the Project under the PPP?

RESPONSE

- Please refer to Section 1.1 of the RFQ and the Project’s Desirability and Convenience Study available at www.p3.gov.pr for further information regarding the objectives and description of the Project.

RFC # 021

The following questions relate to Section 3.1, New Airline Rate Agreement, which states that “LMM is projected to generate EBITDA of $40 million to $50 million, including PFCs in 2012”.

RESPONSES

a. Can you clarify if this estimate is for calendar year end 2012?

   - This figure represents the estimate for the full fiscal year beginning upon execution of the New Use Agreement and PPP Contract.

b. Can you confirm that this estimate is pro-forma for the expected new airline agreement?

   - This estimate is pro forma for the New Use Agreement.

c. What improvements are required for the airport to achieve the top end of the EBITDA range ($50 million) from the current March 31, 2011 LTM EBITDA of ~$40 million?

   - This information will be made available to Shortlisted Proponents in the RFP phase of the process.

d. What is the expected full-year EBITDA for calendar year 2011, both (i) forecast actual, and (ii) pro-forma for the expected new airline agreement?

   - This information will not be provided at this time and it is not necessary for the purposes of responding to the RFQ.
RFC # 022

Regarding point 4.1: Who will be responsible to cover the costs of the contractor obtaining an Airport Operating Certificate from the FAA?

RESPONSE

- A selected winning Contractor will be responsible for the costs related to satisfying all applicable regulatory requirements, including an Airport Operating Certificate from the FAA, and requirements from the TSA relating to airport safety and security.

RFC # 023

Regarding point 4.1: What methodology will be used for evaluating the RFQ, and what relative weight will each requirement have?

RESPONSE

- The Proponent qualification requirement and evaluation criteria are contained in the RFQ. The PPP Committee places emphasis on Financial Capability and Technical Capabilities. Compliance with the requirements of Act is also an important consideration.

RFC # 024

The winning bidder must obtain an Airport Operating Certificate from the FAA to operate LMM and must satisfy all applicable regulatory requirements, including those of the Transportation Security Administration ("TSA") relating to airport safety and security.

What is the grace period to obtain it? Not having one currently may be a reason to not qualify respect other that may have one?

RESPONSE

- The potential winning Proponent will have to obtain an Airport Operating Certificate from the FAA to operate LMM and must satisfy all applicable regulatory requirements, including those of the TSA relating to airport safety and security by time of its commencement of operations at LMM. An Airport Operating Certificate for LMM cannot be obtained by any entity until they have been identified by the Authority as the proposed airport operator, and the concession agreement will provide for adequate time to obtain such a Certificate prior to closing.
RFC # 025

Regarding point 5.2, Proponent Information ii: Who is considered Key personnel? What type of documentation/information should be provided?

RESPONSE

- This section refers to the roles of each “Member” (e.g., Operator, Equity Investor, Sponsor, etc.) and the key personnel of each Member who the Authority may be dealing with during the bid process. The RFQ is not interested in potential day-to-day asset managers.

RFC # 026

Regarding point 5.2, Proponent Information vi: How can the involvement in these projects be certified?

RESPONSE

- Prospective Proponents are expected to provide a list of comparable projects in which Members have participated. The RFQ authorizes the Authority, PRPA, the PPP Committee and their officers, employees and consultants to make any inquiry or investigation to verify the statements, documents, and information submitted in connection with this RFQ. The Authority will use the authorization at its discretion, if needed.

RFC # 027

Regarding point 5.2, Technical Capability: What documentation is required to prove experience in:

a. Operations and Maintenance  
b. Customer Service  
c. Safety

RESPONSE

- Prospective Proponents are expected to respond to the RFQ following the outline presented in Section 5.2 Format and Required Information for RFQ Submission.
RFC # 028

Regarding point 5.2, Financial Capability: What documentation is required to demonstrate experience in raising financing? What is the process to certify these documents?

RESPONSE

- The RFQ indicates that Proponents must provide specific evidence demonstrating their ability to raise financing for a project of this nature and scope. Proponents should use their best judgment in type of evidence that will be provided.

RFC # 029

Section 5.2, Proponent Information, asks for disclosure if the Proponent participates in the World Economic Forum’s Partnering Against Corruption Initiative (PACI). What is the significance of this particular organization and will participation affect the qualification of the Proponent?

RESPONSE

- The Government of Puerto Rico and all its instrumentalities are committed to supporting anti-corruption measures. PACI is a global anti-corruption initiative where businesses take a proactive and engaging role in fighting corruption. Participation in PACI is not a requirement for the RFQ. Participation in PACI is seen as a positive consideration in the qualification process. However, non-participation in PACI, by itself, is not necessarily considered negatively for the qualification process.

RFC # 030

The following questions relate to Section 5.2, Financial Capability, under section (i) Financial Capacity:

a. Proponents must demonstrate “sufficient financial capacity” through the provision of audited financial statements. What are the specific criteria that the Authority will use to evaluate this capacity?

RESPONSE

- Financial Capability is a key section in the evaluation criteria. Proponents are required to provide copies of audited financial statements for the past two years, together with any other relevant financial information as stated in the RFQ. The Proponent has to demonstrate that they have the financial resources to successfully execute a project of this nature and scope. As stated in the RFQ, the
PPP Committee will seek to assess the following financial factors: adequacy of equity, profitability, availability of liquid equity, demands from other projects and consortium shareholder or similar agreements.

b. The section states “If audited financial statements cannot be provided, Members should provide enough financial information to demonstrate that they have the financial resources to successfully execute a project of this nature and scope.” If Members do have audited financial statements, must they also show proof of the five financial factors listed directly below that: adequacy of equity, profitability, availability of liquid equity, demands from other projects and Consortium shareholder or similar agreements?

RESPONSE

- Yes. Proponents should aim to demonstrate financial resources to successfully execute a project of this nature and scope based on the five financial factors mentioned above. Proponents should address the mentioned five financial factors despite of not having audited financial statements.

c. One of the financial factors which will be assessed includes “Availability of liquid equity.” Could you please provide a definition for this term, including whether this is measured at a point in time or continuously?

RESPONSE

- In addressing the five financial factors, Proponents should describe the composition of their equity and highlight the proportion of equity that can be deployed as part of the investment in this concession. This financial factor will be assessed for at least two continuous years.

d. Another financial factor which will be assessed includes “Consortium shareholder or similar agreements”. Could you please describe in more detail what is required for submission?

RESPONSE

- Proponents are expected to provide a description of their shareholder base. More specifically, they should indicate whether they are a publicly traded company or a private company and provide a general description of what that constitutes in terms of their shareholders. In case the Proponent has already been formed as a consortium, they should provide a description of the agreement or arrangement with their partnering operator of investment fund.
RFC # 031

The following questions relate to Section 5.2, Financial Capability, under section (ii) Ability to Raise Financing:

a. Proponents must disclose the “Proposed acquisition structuring and robustness”. What are the specific criteria that the Authority will use to evaluate this? Will any certificates be required?

RESPONSE

- Proponents are expected to provide a general description of how they propose to structure the acquisition of the Project or concession. No certificates will be required at this point in the process.

b. Proponents must disclose the “Level of commitment shown by the project sponsors”. What are the specific criteria that the Authority will use to evaluate this? Will any certificates be required?

RESPONSE

- Proponents are expected to provide a general description of the expected level of commitment from project sponsors (i.e. lenders, financiers). The PPP Committee will seek to understand whether the Proponent is likely to gather commitments from project sponsors.

RFC # 032

The following questions relate to Section 5.2, Proponent Information – Disclosure of Conflicts:

a. The Project involves a bid for the concession to finance, operate, maintain and improve LMM. These projects require the participation of Proponents (and Members of Proponents) with a substantial level of expertise and experience. The limited pool of entities that are qualified to participate in these projects conduct operations worldwide, and have affiliations with other entities that run operations unrelated to what would be a Proponent’s involvement in the Project, but that could be considered to be “dealings with the Commonwealth of Puerto Rico, the Authority or the PRPA…”, as described in Section 5.2 of the RFQ. Please provide clarification on what degree of affiliation is considered to present a conflict pursuant to the Act, the Regulations, and Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of
Public-Private Partnership Contracts (the “Guidelines”) (taking into consideration the Authority’s policy that it “recognizes that its concern with conflicts of interest and unfair advantage must be balanced against the need to not unnecessarily restrict the pool of potential service providers and Proponents available...” (See Section 2 of the Guidelines)). Is there a threshold percentage in the ownership of affiliates by a parent company; is it a matter of interaction or “Chinese walls”, etc.?

RESPONSE

- The Authority has not adopted guidelines addressing specific degrees of affiliation or ownership that would present a conflict of interest under the Ethics Guidelines. In keeping with the Authority’s balancing of competing interests when considering potential conflicts of interest, prospective Proponents should provide full and accurate disclosure to the Authority of any affiliations that could raise a conflict of interest situation under the Ethics Guidelines. The Authority will consider the specific facts and circumstances of each situation as presented by a prospective Proponent to make its determination. In certain cases a de minimis ownership percentage interest without any type of control, or so called “Chinese Walls” where there is no interaction between affiliates may suffice.
- The Authority, at its discretion, will review and comment upon a perceived or potential conflict of interest situation with a specific prospective Proponent during the RFQ process.

b. Related to question (a) presented above, are the dealings with airlines operating at LMM, concessionaires or tenants at LMM, and suppliers of goods or services to LMM and other U.S. airports limited to those dealings that would involve Puerto Rico operations? That is, because potential proponents will likely operate similar assets around the world, with access to, presumably, such airlines, concessionaires, tenants, or suppliers, but not necessarily related to Puerto Rico operations, is the disclosure requirement in the RFQ limited to operations in Puerto Rico?

RESPONSE

- The disclosure requirement is meant to capture primarily entities with operations in Puerto Rico. A prospective Proponent, however, would be required to make a general disclosure of any situation that would present a conflict of interest under the Ethics Guidelines, whether or not there are operations in Puerto Rico.

c. Also related to questions (a) and (b), the Authority has not issued a current list of the airlines operating at LMM, the concessionaires or tenants at LMM, and
the suppliers of goods or services to LMM and other U.S. airports, so that Proponents can make an informed judgment as to whether a disclosure is necessary (please see (a) above, illustrating that potential bidders likely have global operations and affiliations with other entities, but not necessarily specific information on all of their dealings). Will the Authority issue a current list of such parties before the deadline to submit RFQ responses?

RESPONSE

- The Authority will not provide an updated list of concessionaires currently operating at the Airport before the RFP phase. An updated list of the airlines operating at the Airport can be found at www.prpa.gobierno.pr.

RFC #033

The RFQ document makes reference to several acts:

a. Act No. 84 of June 18, 2002, also known as the Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives of the Executive Agencies of the Commonwealth of Puerto Rico.


e. The Public-Private Partnership Act.

Where can we find these acts?

RESPONSE

- Proponents will be able to find the Puerto Rico Public Private Partnership Act in the Authority’s website: www.p3.gov.pr or www.app.gobierno.pr. Proponents should consult their legal counsel team in order to obtain the rest of the acts mentioned above.
RFC # 034

The following questions relate to Section 5.2, Compliance with the Act’s Requirements. The section notes that each Member and the Proponent, if the Proponent has been formed, must submit Appendix A of the RFQ. Appendix A provides the following: “We further certify that neither we nor any of our directors, officers, shareholders, or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an alter ego of the Proponent (each a “Covered Party”), has been convicted, has entered a guilty plea or has been indicted, nor has probable cause been found for their arrest, in any criminal proceeding in the courts of the Commonwealth, the Federal courts of the United States, or the courts of any jurisdiction of the United States or a foreign country, of criminal charges related to acts of corruption or to any of the following crimes: a crime against public integrity, as defined in the Commonwealth of Puerto Rico Penal Code, embezzlement of public funds, a crime against the public treasury, public trust, public function or involving the wrongful use of public funds or property, any of the crimes enumerated in Act No. 458 of December 29, 2000, as amended (“Act 458”), or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country.”:

a. Is the reference to “investigation in any legislative, judicial or administrative proceedings” limited to investigations related to the crimes listed above, or does it include all matters, even non-criminal investigations?

RESPONSE

- The reference is limited to the crimes listed above and in the referenced laws.

b. We understand that the certification stems from Act No. 458, but to the extent that the Member or Proponent is under an investigation, can the certification be marked-up/modified to reflect such reality? That is, if a Member or Proponent cannot submit a negative certification, can the certification be modified to explain the matter? Note that Act 458 does not bar a bidder from participating if it is under investigation.

RESPONSE

- Yes; the certification may be modified to provide any required disclosure or explanation.
c. Pursuant to Act 458, entities that wish to participate in the award of bids or granting of any contracts with any government agency or instrumentality, public corporation or municipality must submit a sworn statement with the information contained in Appendix A of the RFQ. The RFQ does not specify that Appendix A has to be submitted as a sworn statement. Does Appendix A have to be submitted as a sworn statement, or will the Proponent be required to submit the sworn statement at a later stage of the process?

RESPONSE

- Although Appendix A does not have to be submitted as a sworn statement at this time, prospective Proponents should be aware that Section 4.1 of the RFQ provides that the RFP will require the submission of a sworn statement to this effect.

RFC # 035

What kind of information do you expect to be included in the Cover letter?

RESPONSE

- Cover letters received by the Authority typically make reference to the parties submitting the Statement of Qualifications, highlight each party’s experience with the type of project being procured and present a brief overview of the information contained in the submission.

RFC # 036

Proponent Information

vi. Comparable Projects: Provide a list of comparable projects in which Members have participated. Prospective Proponents should specify how these comparable projects relate to the Project.

Is this participation regardless of these members won the process or not?

RESPONSE

- It is the preference of the PPP Committee that Proponents list comparable projects in which they have played a major role and/or are currently managing.
RFC # 037

Proponent Information

vii. Disclosure of Conflicts: List any dealings with the Commonwealth of Puerto Rico, the Authority or the PRPA (including the employees and elected representatives of each), as well as any airlines operating at LMM, concessionaries or tenants at LMM, and suppliers of goods or services to LMM and other U.S. airports

Please clarify what do you mean by any dealings with the Commonwealth of Puerto Rico, the Authority or the PRPA?

RESPONSE

- The Authority asks that prospective Proponents disclose any relationship (contractual or otherwise) with the Authority, the PRPA or the Commonwealth of Puerto Rico and any of its instrumentalities.

RFC # 038

Proponent Information

viii. References: Provide a list of Member references. These references should be able to describe the relevant qualifications and capabilities of Members looking to take a leading role in the operation and maintenance of the Project. If possible, these references should come from the procuring government agencies or lead sponsors in previous roles.

   a. In what terms do you expect these references?

   b. What do you mean by procuring government agencies?

   c. How do you defined lead sponsors?

RESPONSE

- Proponents are expected to use their judgment deciding what references to provide. At the very least, a list of references for major Projects is to be expected. For the rest of the questions please refer to Section 5.2 of the RFQ.
RFC # 039

Compliance with the Act’s Requirements (2 pages maximum)

i. Confirm the prospective Proponent’s compliance with requirements of the Act as described in Section 4 of this RFQ under the heading “Compliance with Requirement of the Act”.

   a. Would the certification included in appendix a be sufficient to comply with this requirement?

   b. If not, what else if required?

   c. In what form?

RESPONSE

   Each prospective Proponent needs to provide the Proponent Certification (the form of which is set out in Appendix A). In responding to the section entitled “Compliance with the Act’s Requirements,” prospective Proponents may simply refer to their completed Proponent Certifications to satisfy that section.

RFC # 040

Technical Capability

Prospective Proponents should address the following areas with respect to technical capability:

i. Operations and Maintenance Expertise: Prospective Proponents must provide evidence demonstrating their ability to operate and maintain a project of this nature and scope.

   a. What are the exact parameters/requirements regarding size or type of airport operation, or any other parameter around which the Prospective Proponents must provide or demonstrate expertise, experience, knowledge, and understanding or back ground?

RESPONSE

   Prospective Proponents need to demonstrate that they have the ability to operate and maintain Luis Munoz Marin International Airport (LMM). LMM is a medium-hub airport, as designated by the FAA, with over 4 million enplanements annually. Prospective Proponents must demonstrate that they appreciate the
complexities of an international airport of LMM’s scale, which differs from that of a private, general aviation airfield, for example.

RFC # 041

Technical Capability

Prospective Proponents should address the following areas with respect to technical capability:

i. Operations and Maintenance Expertise: Prospective Proponents must provide evidence demonstrating their ability to operate and maintain a project of this nature and scope. Specifically, the prospective should have:

   a. Substantial international hub airport operation and maintenance experience;

   a. What is the minimum requirement or hurdle expectation? Is there a minimum HUB size airport or passenger throughput / cargo requirement?, If so, please clarify.

   RESPONSE

   ● There is no minimum enplanement or cargo tonnage requirement to qualify but Proponents should demonstrate experience in operating an international hub airport or an airport of similar scale or complexity.

   b. Which criteria are used to define substantial international hub?

   RESPONSE

   ● An airport with international, commercial aviation operations.

   c. What kind of evidence would you expect to demonstrate the ability to operate and maintain the project?

   RESPONSE

   ● Existing or prior experience among Members of the Prospective Proponents in operating or maintaining an international airport.
RFC # 042

Technical Capability

Prospective Proponents should address the following areas with respect to technical capability:

i. Operations and Maintenance Expertise: Prospective Proponents must provide evidence demonstrating their ability to operate and maintain a project of this nature and scope. Specifically, the prospective should have:

   b. Advanced knowledge of terminal, runway and associated facilities, maintenance, repair, construction and practical application of equipment and materials in airport operations, as well as demonstrated understanding aging behavior of terminal, runway and associated facilities to assess and determine the necessity for remedial maintenance action;

   a. What do you mean by demonstrated understanding? Please clarify

RESPONSE

- Prospective Proponents’ experience must reflect an understanding of ongoing capital investment in an airport to maintain a certain level of service. Please document and describe your experience in operating and maintaining one or more international airport(s).

RFC # 043

Technical Capability

Prospective Proponents should address the following areas with respect to technical capability:

i. Operations and Maintenance Expertise: Prospective Proponents must provide evidence demonstrating their ability to operate and maintain a project of this nature and scope. Specifically, the prospective should have:

   a. Familiarity with FAA operator certification standards, requirements and procedures, airport operations, construction and maintenance standards;

   a. Please describe what you mean “Familiarity with FAA operator certification standards and requirements?”
RESPONSE

- Please document and describe your experience in operating and maintaining one or more international airport(s). If you have prior direct experience in dealing with the FAA that should be included.

RFC # 044

Technical Capability

Prospective Proponents should address the following areas with respect to technical capability:

i. Operations and Maintenance Expertise: Prospective Proponents must provide evidence demonstrating their ability to operate and maintain a project of this nature and scope. Specifically, the prospective should have:

   e. Demonstrated understanding in airport-aging behavior to assess and determine the applicability of remedial-maintenance action;

      a. Please explain this section with more detail of what you would like to see so that we may provide the best response possible in our RFQ response document

      b. How this understanding is different from the aging behavior described in point b. of this section?

RESPONSE

- Prospective Proponents’ experience must reflect an understanding of ongoing capital investment in an airport to maintain a certain level of service. Please document and describe your experience in operating and maintaining one or more international airport(s).
RFC # 045

Technical Capability

Prospective Proponents should address the following areas with respect to technical capability:

i. Operations and Maintenance Expertise: Prospective Proponents must provide evidence demonstrating their ability to operate and maintain a project of this nature and scope. Specifically, the prospective should have:

   a. All the capabilities necessary to successfully operate and maintain the Airport, including routine maintenance, operations management, administration and public relations, and traffic and emergency operations; and

What do you mean by traffic?

RESPONSE

  - Traffic refers to aeronautical operations.

RFC # 046

Technical Capability

Prospective Proponents should address the following areas with respect to technical capability:

ii. Customer Service: Proponents must demonstrate their commitment to achieving the highest standards of customer service and satisfaction. Specifically, the Proponent must highlight their experience and qualifications in the following areas:

   a. Maintaining productive ongoing relationships with government entities, similar to the relationship that the winning bidder will have with the PRPA

What kind of ongoing relationships does the PRPA expect to achieve in order to make the appropriate comparisons?

RESPONSE

  - This information will be made available in the next round of the process. The PRPA intends to enter into a long-term concession agreement with the Contractor.
Technical Capability

ii. Customer Service: Proponents must demonstrate their commitment to achieving the highest standards of customer service satisfaction. Specially, the Proponent must highlight their experience and qualifications in the following areas:

b. Providing excellent customer service to the travelling public; and

c. Delivering safe and efficient operating conditions to airlines, particularly those at LMM

f. What would be the specific requirement(s) for “qualification”?

g. How do you define excellent “customer service” and how do you currently measured it?

h. What kind of measure would you expect to satisfy the safe and efficient operating conditions to airlines?

RESPONSE

- Please document and describe your experience in operating and maintaining one or more international airport(s). Provide background on customer satisfaction metrics that you employed and how you fared in measuring customer satisfaction. The PRPA seeks to provide the highest levels of customer service at LMM and expects the Contractor to do the same.
RFC # 048

Technical Capability

iii. Safety: Prospective Proponents must demonstrate their ability to address and resolve safety issues. Specifically, the prospective Proponents should have:

c. Background in relevant airport engineering standards, specifications, policies, practices, and processes

Can you define “relevant”?

RESPONSE

● Please document and describe your experience in operating and maintaining one or more international airport(s). Proponents should highlight any interaction with FAA as part of this response.

RFC # 049

Financial Capability

i. Financial Capacity: Prospective Proponents must demonstrate their financial capacity to pay the expected equity portion of the up-front payment and to maintain the Airport for the term of the PPP Contract…

Financial factors which will be assessed include:

a. Adequacy of equity

What do you mean by adequacy?

RESPONSE

● Please document equity investments made by your fund, both in airports or other projects.
RFC # 050

Financial Capability

i. Financial Capacity: Prospective Proponents must demonstrate their financial capacity to pay the expected equity portion of the up-front payment and to maintain the Airport for the term of the PPP Contract…

Financial factors which will be assessed include:

b. Profitability

If it’s a Private Equity Fund how do you expect to measure this?

RESPONSE

- The financial factor of Profitability is one of universal application. Proponents should use their best judgment in providing a satisfactory answer.

RFC # 051

Financial Capability

i. Financial Capacity: Prospective Proponents must demonstrate their financial capacity to pay the expected equity portion of the up-front payment and to maintain the Airport for the term of the PPP Contract…

Financial factors which will be assessed include:

d. Demands from other projects; and

What do you mean by demands of other projects?

RESPONSE

- The PPP Committee is interested in gaining a basic understanding of the financial demands of other Projects that Proponents may be actively managing.
RFC # 052

How do you expect to acknowledge receipt of the information send by participants?

RESPONSE

- The Authority will send an electronic confirmation after receiving the documentation on August 8, 2011. The electronic confirmation will be sent to the contact persons identified by each Prospective Proponents in the Proponent Information section of the responses to the RFQ.

RFC # 053

How do you ensure the integrity of the information delivered by the participants?

RESPONSE

- Please refer to Section 5.1 of the RFQ. If needed, the PPP Committee, the Authority and/or PRPA, can make use of its authorization to make additional inquiries or investigations to verify information in the response to the RFQs.

RFC # 054

Do you expect to treat the financial information send by participants of private companies to be treated as confidential and thus not subject to disclosure?

RESPONSE

- Prospective Proponents interested in ensuring the confidential treatment of information submitted to the Authority in response to this RFQ should refer to the provisions of Section 5.4 of the RFQ.

RFC # 055

Make a written request to the PPP Committee for a meeting to specify and justify proposed confidential or proprietary documents

When can the meeting be held?

RESPONSE

- The PPP Committee will schedule a meeting, if necessary, once a prospective Proponent has requested such meeting as described in Section 5.4 of the RFQ.
RFC # 056

Receive written notification from the PPP Committee accepting or rejecting confidentially requests

How fast will the response be given?

RESPONSE

- The PPP Committee will address requests for confidential treatment promptly after such requests are received and will provide a response within a reasonable period of time.