



July 17, 2018

To All Prospective Respondents

Request for Qualifications for the Design-Build-Finance-Operate-Maintain of the Puerto Rico Maritime Transportation Services Project

Request for Clarifications #001 - #007

We make reference to the Request for Qualifications for Design-Build-Finance-Operate-Maintain of the Puerto Rico Maritime Transportation Services Project (“RFQ”) amended by the Puerto Rico Public-Private Partnerships Authority (“Authority”) on June 29, 2018.

According to Section 1.9 of the RFQ, a Respondent may submit a request for clarification (“RFC”) to the Authority for explanation or interpretation of any matter contained in the RFQ.

The following information is included in this Addendum #1:

- I. Responses to Requests for Clarifications / Information received, and
- II. Slide deck presented in the Pre-Submittal Conference Call (Attachment 1)

RFC # 001

I would also like to confirm that the submission package has the following sections: Section A, B, C and the forms.

RESPONSE

Yes, all submissions have to include the forms that are included in the RFQ.

RFC # 002

What was specifically updated/changed in the Amended RFQ?

RESPONSE

The amended RFQ includes capital improvements to Pier 2 in Ceiba, as well as the inclusion of the qualification requirements of the construction company that will undertake such improvements.

RFC # 003

Is there a specific time to have the package delivered by?

RESPONSE

Yes, on or before 5:00pm AST on July 30, 2018.

RFC # 004

Is the submission package to be posted dated by the submission date or received by the submission date?

RESPONSE

The Statement of Qualification package should be received at the P3 Authority's office on or before 5:00pm AST on July 30, 2018.

RFC # 005

Can we receive a copy of this presentation?

RESPONSE

Yes, a copy is provided as part of this Addendum.

RFC # 006 (RFC submitted in Spanish – translation provided)

¿Se encuentran las líneas de Ceiba - Vieques y Ceiba - Culebra bajo la normativa de la ley de cabotaje Jones Act o se consideran municipios fuera de la aplicación de esa ley?

ENGLISH TRANSLATION OF RFC:

[Does the Jones Act apply to the Ceiba-Vieques and Ceiba-Culebra routes or are they considered out of scope of this act?]

RESPONSE

Yes, the Jones Act applies to both municipalities.

RFC # 007 (RFC submitted in Spanish – translation provided)

¿La aplicación al RFQ y con la consiguiente aprobación del SOQ de la compañía privada implicaría alguna obligación a la misma, o esta pudiera salir del proceso en cualquier momento si es que la privada lo considera?

ENGLISH TRANSLATION OF RFC:

[After responding the RFQ, does the acceptance of the SOQ imply any obligations for the private company or could it back out of the process at any moment if it desires to do so?]

RESPONSE

Yes, the private company can back out of the process if it desires to do so after the acceptance of the SOQ.



Maritime Transportation Services P3 Project RFQ Pre-Submittal Conference Call

Puerto Rico Public-Private Partnerships Authority

July 2018



Disclosure

This presentation summarizes certain aspects of the Request for Qualifications (RFQ) for the Puerto Rico Maritime Transportation Services Project. Participation in the call is not mandatory and will not affect your firm's ability to participate in the RFQ Process. Potential Respondents should carefully review the full RFQ before preparing their Statements of Qualifications (SOQs).

This document is for informative purposes only and does not constitute an offer to sell or an offer to enter into a contract. It is a summary of certain matters for discussion only. You may not rely upon this document in evaluating the merits of a project, investment venture, or any business referred to herein. This document does not constitute and should not be interpreted as either a project recommendation, investment advice or any other recommendation including legal, tax or accounting advice.

Future results are impossible to predict. Opinions, figures, estimates and market trends offered in this document constitute a preliminary assessment and are subject to change without notice, which are based on current market conditions and should not be relied upon without further assessment and verification. This presentation may include forward-looking statements that represent opinions, estimates and forecasts, which may not be realized.

This document does not contain a commitment from the Government of Puerto Rico, the Authority or any of its instrumentalities, nor does it impose any obligation.



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Introduction



Participants in the Conference Call

Puerto Rico P3 Authority

- Laura Femenías, Esq., Deputy Director
- Mara Perez, P3 Project Manager

Project Advisory Team Participants

- David Alvarez, VP Advisory, CPM
- Cesar Diaz-Plaza, Director, KPMG
- Manuel Rodriguez, PMA
- Pierre Villain, SDG
- Andy Bennett, KPFF
- David Horner, Hunton Andrews Kurt



Rules of Conference Call

- The call will focus on aspects of the RFQ
- 20-30 minute presentation followed by questions and answers
- Questions should be submitted in writing via the Zoom chat to the presenter
- Chat of the Zoom system is located at the bottom of your screen
 - Questions can be submitted during the presentation but they will be answered at the end of the presentation
- Participants are muted except for the presenter. Please ensure your phone is also on mute. Callers from regular phones will not be able to ask questions
- The conference call is scheduled to last one hour
- The presentation, questions and answers will be made public as an addendum to the RFQ



Laura Femenías, Esq.
Deputy Director
Puerto Rico Public-Private Partnerships Authority

Overview of RFQ and Procurement Process

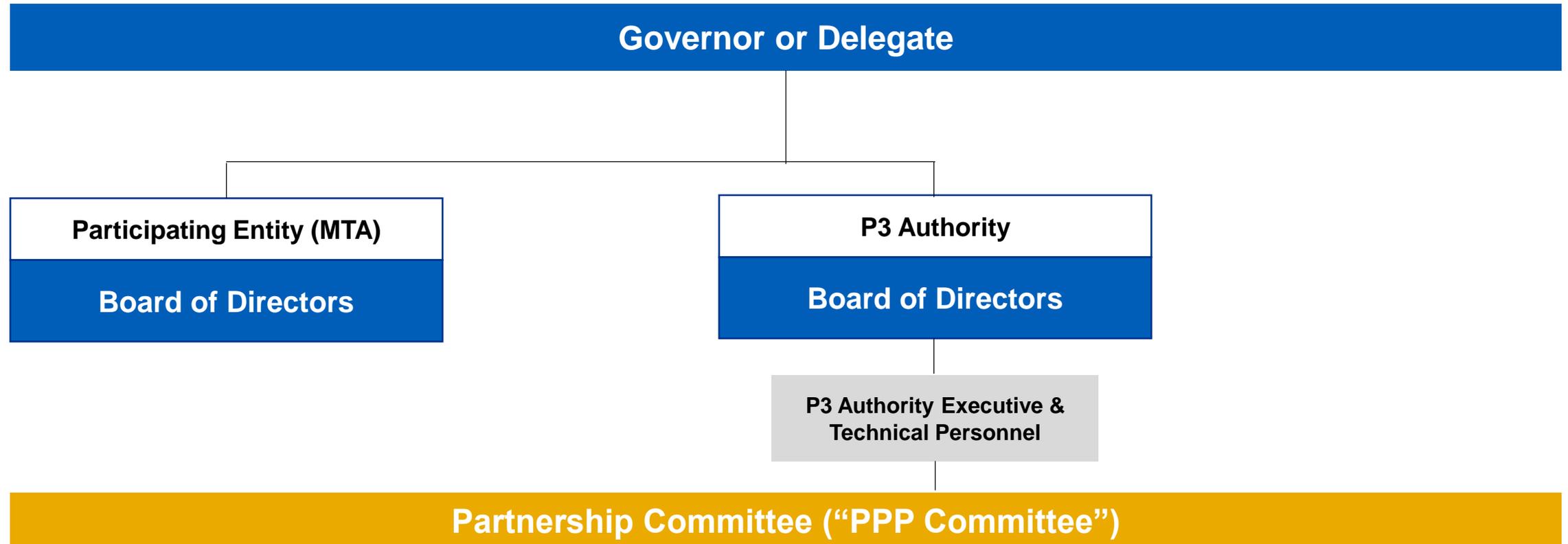


P3 Authority Overview

- The Public-Private Partnership Act approved in 2009, as amended states that the public policy of the Government of Puerto Rico is to:
 - Favor and promote the establishment of Public-Private Partnerships (P3s)
 - Further the development and maintenance of infrastructure facilities
 - Improve the services rendered and the functions of the Government
 - Encourage job creation and promote Puerto Rico's socioeconomic development and competitiveness
- The P3 Authority was created by the Act and its mission is to manage the procurement processes for P3 projects in Puerto Rico



P3 Authority – Procurement Governance Structure



5 Members:

- 1 Director or delegate of Puerto Rico Fiscal Agency & Financial Advisory Authority (FAFAA)
- 1 Government Official from the Participating Entity with responsibility over the Project
- 1 Member of the Board of Directors of the Participating Entity
- 2 Government Officials with Project expertise selected by the P3 Authority Board of Directors

Functions:

- Decision making committee overseeing procurement process,
- Qualifications Process
- Evaluation and selection of bidders
- Establish the basic terms and conditions of Project Agreement
- Report full process through a Partnership Report



Function of the RFQ

The objective of the RFQ is to enable the PPP Committee to shortlist the best qualified Respondents.

Nevertheless, the PPP Committee, in evaluating Respondents, may disqualify a Respondent if the

Respondent:

- May be treated as ineligible to submit a proposal on one or more grounds specified in Section 6 of the Regulation for the Procurement, Evaluation, Selection, Negotiation, and Award of Participatory Public-Private Partnerships Contracts under Act No. 29-2009, as amended (Regulation);
- Fails to satisfy the standards established by the PPP Committee with respect to the Respondent's required financial, technical or professional ability and experience; or
- Fails to comply with the requirements of Articles 9(a) (Applicable Requirements and Conditions for those who wish to be considered as Respondents) and/or 9(d) (Consortia) of the Act, as applicable.

Pursuant to Section 5.4 of the Regulation, the PPP Committee reserves the right to limit in its absolute discretion the number of Respondents it considers to be the best qualified in order to arrive at a shortlist of Proponents to allow for an orderly procurement.

The Authority hereby notifies prospective Respondents that it intends to exercise its right to limit the number of Respondents who may be qualified.



Procurement Process & Schedule

The procurement of the Project is expected to take place in the following stages:

Stage 1 – Issue RFQ and Qualifications Process

- In Phase 1, the Authority will issue the RFQ and will review SOQs against the evaluation criteria in Section 6. At the end of Phase 1, the Authority will shortlist qualified Respondents and they will be invited to participate in Phase 2 of the process.

Stage 2 – RFP Process

- In Phase 2, the Authority will issue an RFP to each shortlisted Respondent to provide instructions on how to submit a Binding Proposal. The shortlisted Respondents will have the opportunity to conduct a detailed due diligence review and submit a Binding Proposal that will include a final offer for review and consideration by the Authority. The Authority will select a Preferred Proponent based on the Binding Proposals received. A draft of the PPP Agreement will be provided to shortlisted Respondents in Phase 2.

Stage 3 – Implementation of PPP Agreement

- If the Authority identifies a Preferred Proponent in Phase 2, it may negotiate a final agreement with the Preferred Proponent and enter into a PPP Agreement.
- Once the Preferred Proponent and the Authority have executed the PPP Agreement, the Project will proceed in accordance with the terms and conditions of the PPP Agreement.



Procurement Process & Schedule

The Authority expects to adhere to the following schedule for the qualification of prospective Respondents:

RFQ SCHEDULE

June 13, 2018	Date of issuance of RFQ by the Authority
July 9, 2018	Pre-Submittal Conference Call, at 2:00 p.m. AST
July 16, 2018	Deadline for submittal of Request for Clarifications (“RFCs”)
July 23, 2018	Deadline for the Authority to release responses to RFC’s
July 30, 2018	Due date for submission of SOQs no later than 5:00 p.m. AST
August 24, 2018	Estimated date for notification of shortlisted Respondents



Restricted Parties

- Directors, officers, partners, employees and persons or legal entities to Restricted Parties are not eligible to participate as Team Members, or advise any Team Member, directly or indirectly, or participate in any way.
- Each Respondent will ensure that each Team Member does not use, consult, include or seek advice from any Restricted Party.
- Authority can add additional parties to the list of Restricted Party.

Project Advisory Team



Including any subsidiary or affiliate of the above-mentioned persons or entities.

Project Summary



Project Description

- Currently, the MTA operates three scheduled ferry services with 13 vessels and 5 terminals, running 7 days per week. The services are split into two main categories: Metro Services and Island Services.

Metro Service



Island Service



- The Puerto Rico P3 Authority (the “Authority”) and the MTA are contemplating the establishment of a PPP for the operation, maintenance, management and improvement of the MTA’s ferry services, including, without limitation, the commencement of ferry service in the Municipality of Ceiba currently performed by the MTA in the Municipality of Fajardo, the performance and improvement of existing operations of the MTA located in the Municipalities of Vieques and Culebra (“Island Service”) and in the San Juan Bay (“Metro Service”), and in the operation, maintenance and improvement of a maintenance facility located in San Juan (the “Maintenance Facility”).
- The Private Partner will provide the Ferry Services from Pier 2 located in the former Roosevelt Roads Naval Station in the Municipality of Ceiba (“Pier 2”) in accordance the PPP Agreement at the Private Partner’s own cost and risk.



Project Goals and Objectives

The following goals, as set forth by the Government, Authority, and MTA, are expected to be achieved throughout the procurement of the Project include:

- Maintain customer and crew safety
- Improve the quality and reliability of service
- Increase resources for vessel and terminal maintenance
- Streamline workforce to provide an efficient amount of employees
- Allocate project risks and responsibilities to the party best able to manage them
- Increase revenue by introducing and improving ancillary revenue sources
- Reduce costs through innovation and private sector experience
- Decrease the amount of public funding required to operate the Project by pricing the service to better reflect operating costs
- Modernize public services and build a stronger and more resilient infrastructure
- Become the first P3 project to be delivered while in the midst of the financial crisis and adapt to current economic and fiscal circumstances



Project Structure and Phases

- **Phase 1:**
 - The Private Partner will have the obligation to perform Ferry Services in accordance with performance standards to be set forth in the PPP Agreement, which is expected to require the operation, maintenance, improvement and management of the Ferry Services, as well as acquiring new vessels, financing improvements to Pier 2, and upgrades to the Maintenance Facility.
 - The MTA expects to fund or finance a significant portion of capital improvements with grant funding, however, the timing of such grants remains uncertain. Therefore, the Private Partner will be expected to finance vessel acquisition, certain upgrades to the Maintenance Facility, as well as the construction and improvement to Pier 2.
- **Phase 2:** The Private Partner will have the obligation to perform the Ferry Services in accordance with performance standards to be set forth in the PPP Agreement at the Private Partner's own cost and risk. This phase is expected to include the improvement, management, operation, and maintenance of the Ferry Services, including the possibility of the Private Partner implementing additional capital improvements at the request of the Authority (such as acquisition and implementation of new vessels).
- The Government expects to provide a subsidy payment to the Private Partner during both phases to operate the service.



Opportunity to Optimize Operations

It is expected that a Private Partner will enhance revenue and reduce costs by:

- Additional revenues from ridership
- Additional revenues from advertising
- Additional revenues from concessions
- Cost savings from fringe benefits
- Cost savings from the elimination of unscheduled trips
- Cost savings from natural attrition

A complete assessment report of piers and vessels will be provided as part of the Request for Proposals (RFP) documents.

Evaluation Criteria



Evaluation Criteria

- The Authority's goal is to create a fair basis for the evaluation of the SOQs in compliance with all applicable laws governing this procurement. All SOQ submissions will be reviewed based on the requirements set forth in Section 6 and Appendix 1 of the RFQ.
 - **Pass / Fail:** A review of each SOQ for responsiveness and pass / fail criteria in accordance with Section 6.2.1 of the RFQ
 - **Qualitative Evaluation:** A qualitative evaluation of the SOQ in accordance with the evaluation criteria set forth in Section 6.3 of the RFQ, resulting in a qualitative score



Pass/Fail Evaluation Criteria

- The Authority will evaluate each SOQ based upon the following pass / fail criteria:
 - **Criterion 1 – Compliance with the RFQ:** The SOQ must comply with the requirements contained in this RFQ, including but not limited to format requirements, terms, conditions of this RFQ, and the completion of required forms in Appendix 2.
 - **Criterion 2 – Compliance with requirements of the Act:** Proponents are to provide a statement which addresses the following:
 - Demonstrate that it is a Person authorized to do business in Puerto Rico at the time the contract is executed
 - Certify that the Respondent and affiliate parties have not been convicted or have had any criminal charges related to acts of corruption for crimes specified in Section 6.2.1 of the RFQ
 - Proponents who apply or bid for an award of U.S. \$100,000 or more shall file the certification required by 49 CFR part 20, “New Restrictions on Lobbying”



Qualitative Evaluation Criteria

Each Respondent’s SOQ passing all of the “pass/fail” criteria set forth in Section 6.2 will be qualitatively evaluated and scored by the Committee in the following categories:

Category	Weighting (%)	Reference Section of the RFQ
Technical Qualifications & Capability	40	6.3.1
Financial Qualifications & Capability	20	6.3.2
Conceptual Technical Approach Statement	30	6.3.3
Management Plan	10	6.3.4

Respondents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information to the Committee via e-mail at RFQ-FerrySystem@p3.pr.gov

SOQ Requirements and Procedure



Submittal Requirements

- SOQs must be **prepared on 8-1/2” x 11” sized white paper** and should **comply with the outline provided under section 5 of the RFQ**
- SOQs shall be submitted **exclusively in the English language** inclusive of English units of measure, and cost terms in United States of America (U.S.) dollar denominations
- Additional information **not specifically** related to the Project or this RFQ **should not be included**
- **All questions, RFCs, or requests for information regarding this RFQ should be directed to the Committee Representative via e-mail**
- Please **do not contact any officials or related parties of the Authority, MTA, and/or DTOP (other than the Committee Representative)** via telephone or otherwise. Such contact may serve as grounds for disqualification
- Each Respondent shall submit the following in **sealed packages**:
 - One digital copy of its SOQ in read-only format on a write-protected flash drive, clearly marked with the Respondent’s name on the package or the drive itself
 - One **original and five copies** — for a total of six hardcopies — of its SOQ in loose-leaf, three-ring binders, one SOQ part per binder. The SOQ containing original signatures shall be marked as “Original”



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority



Questions?