October 16, 2017

REQUEST FOR EXPRESSION OF INTEREST AND PUBLIC COMMENTS IN CONNECTION TO SUBJECT PROJECT

Subject: Design-Build-Finance-Operate- Maintain Services Contract for Parking Facility Project

To Interested Parties:

The Puerto Rico Public-Private Partnerships Authority ("Authority"), in collaboration with the Government of Puerto Rico ("Government"), is interested in procuring a design-build-finance-operate-maintain project for a series of government-owned parking facilities ("Project" or “Parking Project”). In order to better gauge industry interest in the Project, the Authority is asking for comments in connection with the attached draft Request for Qualifications ("Draft RFQ"). Do not submit Statements of Qualifications ("SOQ") to this Draft RFQ. Comments should follow the instructions stated in Appendix C: Market Outreach Section.

The Authority is releasing this Draft RFQ for the Parking Facilities Project as a Request for Expression of Interest under Section 5.3 of the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts under Act No. 29-2009, as amended, for the sole purpose of soliciting and gathering industry comments. The comments received will be used by the Authority in finalizing the Draft RFQ. The Authority will not be responsible for any cost incurred by the respondents in furnishing the information being requested herein.

All information submitted to the Authority is subject to the Puerto Rico Public Documents Act, commonly known as the Public Records Law (3 P.R. Laws Ann. §§ 1001-1013 (2000)). The Authority may use any information, materials, data or concepts submitted by any person without limitation. Your response explicitly entails a waiver of any claim you may have with respect to the use of by the Authority or its agents as to any information, materials, data or concepts submitted.

This is not a procurement solicitation, and no award will be issued as a result of the responses received from the industry, nor does it constitute a compromise from the Authority to incorporate the suggested industry comments to the Draft RFQ. The Authority is merely soliciting industry comments for the draft of a working document. No Statement of Qualifications ("SOQ") or Respondent Certification are required at this stage. A response to this request is not mandatory for future participation in the procurement for the Project or any other program of the Authority.
Respondents to this Market Outreach may request clarifications and/or interpretations from the Authority. A response to any request shall be at the sole discretion and if deemed beneficial to the Authority’s purposes. All submittals, questions and other correspondence to the Authority must include a letter of transmittal that identifies a key contact person, address, telephone number, fax number, and an e-mail address. Electronic submittals will be accepted and are encouraged.

For the sole purpose of developing this stage, you will find a Market Outreach Section attached to the Draft RFQ. Appendix A and B are for reference only, comments should follow the instructions stated in Appendix C: Market Outreach Instructions. Responses to this request for comments must be received no later than November 17, 2017, which will provide the Authority sufficient time to consider the submittals in preparation for the final RFQ. The Market Outreach Responses must be prepared in English and should not exceed a total of fifteen (15) double sided pages. At this time, no marketing materials may be submitted. Submittals received after the deadline will be considered only at the Authority’s discretion. No submittal in response to this information request will be considered following issuance by the Authority of the final RFQ for the Project.

All submittals shall be made to:

RFQ-PARKINGS@p3.pr.gov

Very truly yours,

Omar J. Marrero Díaz, Esq.
Executive Director Puerto Rico Public Private Partnerships Authority

Enc.
- Appendix A: Form of Respondent Certification (for reference only)
- Appendix B: Acknowledgement of Receipt (for reference only)
- Appendix C: Market Outreach Instructions
APPENDICES
APPENDIX A – FORM OF RESPONDENT CERTIFICATION

[RESERVED]
APPENDIX B – ACKNOWLEDGMENT OF RECEIPT

[RESERVED]
APPENDIX C – MARKET OUTREACH SECTION

OVERVIEW
The Puerto Rico Public-Private Partnership Authority ("Authority"), in collaboration with the Government of Puerto Rico ("Government"), is contemplating requesting qualification from parties interested in the procurement and delivery of a PPP Contract for the modernization, financing, operation and maintenance of certain Government owned parking facilities through a public-private partnership ("Project").

The Authority hereby solicits comments from the general public and market participants in connection with the attached draft Request for Qualifications ("RFQ") document. The Authority is releasing this draft RFQ for the Parking Modernization and Optimization Project for the sole purpose of soliciting and gathering certain comments and feedback from the market. The comments received will be used by the Authority in finalizing the RFQ. The Authority will not be responsible for any cost incurred by the respondents in furnishing the information being requested herein.

INTRODUCTION
The Authority wishes to conduct a procurement process whereby the Government will ultimately enter into a public-private partnership agreement for the Project, under which a private entity ("Selected Contractor") will be required to modernize, finance, maintain and operate certain Government owned parking facilities contained in the Project, defined as Parking Portfolio in the draft RFQ.

The Government is presently the largest owner and operator of parking facilities in the island and is facing significant challenges to access the capital to cover the improvement, operation and maintenance expenses required for the optimal functioning of these facilities. In addition, many Government-owned parking facilities are centrally located in core urban areas next to businesses and social activity, for which modern, safe and effective parking facilities and services can make a significant contribution in revitalizing local economic activity.

The Project is transformative in nature given that it seeks to elevate the quality of parking facilities and services provided to drivers and the general public while reducing the footprint of the Government in the parking infrastructure sector. The general objectives of the project are: modernize parking facilities; enhance service to users and ensure safety; reduce government expenses and improve predictability of revenues; and, facilitate urban revitalization and local business economic activity.

MARKET OUTREACH PURPOSE
The purpose of this Market Outreach is to solicit feedback from the public and market participants in connection to the attached draft RFQ. The ultimate goal of this process is to release a final RFQ and eventually conduct a procurement process with Shortlisted Respondents for the Project.
TRANSACTION STRUCTURE AND PPP CONTRACTS

The Authority is seeking a transaction structure that is most affordable and beneficial to the Government, the parking facilities users, the private contractor and affiliates over the term of the Project. The Government plans to enter into a PPP Contract that will manage the responsibilities of the parties involved in the development, ownership, and/or operation and maintenance of the Project. Further details regarding the structure of the PPP Contract, such as scope, term, payments, and other conditions will be expressed in a future procurement stage. Contractors responding to this solicitation should expect to be involved in developing an ideal transaction structure under the PPP Contract.

SERVICES TO BE PROVIDED BY SELECTED CONTRACTOR

This section provides a summary of the services that would be expected to be provided by the Selected Contractor in connection with the Project.

1. Modernization [Design / Construction]

The Project intends to make the Selected Contractor responsible for all aspects relating to the modernization of the existing parking facilities. Under the proposed Project, and consistent with numerous PPP precedents, the Selected Contractor would be expected to bear the design and construction risk for the modernization and optimization of the facilities. For instance, the Contractor would have to carry the risk for punctual design development activities and later construction or improvements needed for the optimization of the facility. The responsibility of coordination of design documents and construction activities is also transferred to the Selected Contractor.

2. Permitting

The responsibility of obtaining all relevant permits and approvals for the particular projects in the different parking facilities will be shared between the Government and the Contractor. The Government will be responsible of providing to the Contractor the information related of the projects sites, and will also facilitate the obtaining of required permits. However, the risk of obtaining permits, such as construction permits, is transferred to the private partner.

3. Financing

The financial objectives of the Government pertaining to the Project are, in part, related to its inability to fund or finance capital improvements needed to modernize the Parking Portfolio. As a result, the Selected Contractor will be responsible for financing the Project, and the Government expects the Selected Contractor to have experience providing financing, typically equity and/or other debt financing, on similar projects.

4. Operation/Management Services

The Project contract proposes the Selected Contractor to provide Operations and Management services for the facilities contained in the Project. Specifically, the Contractor will be responsible for conducting and managing repairs, preventive maintenance and operations of Project elements such as lighting, elevators, security systems and controls, implementing energy management systems, ensuring proper functioning of technology and equipment, and managing and controlling maintenance and operating costs during the length of the PPP Contract term.
Together with the provision of operational services, the Contractor will be responsible for operational risks. Operational risks can include:

- Risk of higher-than-anticipated utility consumption resulting in additional costs, and
- Risk of higher-than-anticipated increases in inflation of operations related costs.

5. **Leasing Services**

The selected Contractor will be responsible for assuming the risk of any marketing associated with the parking facilities. The Government will seek, but will not be required, to facilitate efforts to attract tenants to the development or Parking facilities.

6. **Maintenance**

The proposed PPP Contract will require the Selected Contractor to provide maintenance services. Maintenance services include activities such as routine, preventive and scheduled maintenance, keeping spaces and structures and prevention of failure and/or degradation.

The Selected Contractor will also be responsible to carry the risks associated to maintenance and life-cycle services. Risks tend to include:

- Risk that routine maintenance is not performed when required, leading to interruptions of operations, unavailability, or overall lower asset performance.
- Risk of service provider default, and subsequent replacement. This could result in delays and additional costs.
- Risk of deferred maintenance resulting in increased frequency and cost of capital maintenance.
- Risk that capital maintenance is not performed when appropriate to sustain the capital value of the Project resulting in lower-than-expected residual value at handback and in deferred maintenance liabilities.
- Risk of latent defects. Risk that the materials or workmanship are lower than optimal resulting in non-performing Project that need to be replaced or early failures before the end of the useful life of the Project.
MARKET OUTREACH RESPONSE REQUIREMENTS

Contractors past experience with projects with similar requirements to those outlined in this document will be paramount in the evaluation of the responses to this RFQ. In particular, Contractors should demonstrate experience with the modernization and optimization of parking structures. Additionally, the Selected Contractor’s financial capacity and access to funding sources will be part of the evaluation. Lastly, Selected Contractors must demonstrate the ability to deliver projects in a timely manner, on or under budget.

Respondents shall submit their Market Outreach Feedback responses in the format described below. Each section of the Market Outreach Feedback shall be tabbed and labelled in the order shown below.

**Market Outreach Components**

**Cover Page**
The Respondent Cover Page shall not exceed one (1) double-sided page. The cover page shall include the title, “Market Outreach Feedback”, submittal date, the Respondent name, principal contact, address, telephone number, fax number, email address and web site address if applicable.

**Table of Contents**
The table of contents shall be complete and clear, indicating section headers and pages.

**Respondent Background and Information**
The Respondent Background and Information shall not exceed one (1) double-sided page. The Respondent shall provide a summary of the Respondent’s company description, number and location of projects or services similar to the Project described in Section 2 of the Draft RFQ, and any other additional information that the Respondent wishes to share.

**Approach to Project (5 page maximum)**
The “Approach to Development” shall not exceed five (5) double-sided pages and shall include the Contractor’s considerations for how the Project should be best structured to meet the goals and objectives stated in Section 2. Specifically, the Respondent should address:

(i) The Interested Contractor should describe its overall experience and proposed process for working with the Authority on developing and financing the Project.

(ii) Describe approach to structuring the Project, parking revenue, commercial revenue and other potential sources of revenues.

(iii) Describe operations plan; could include parking rates, reserved parking, time limitations, etc.

(iv) Describe the Interested Contractor’s approach to obtaining committed financing to fund the Project;

(v) Identify any development and building code issues requiring resolution that could be anticipated on any of the parking facilities. What approach do you recommend to address these situations?

(vi) Provide your comments in addition to this Evaluation Criteria section that make sense to the developer.

(vii) Experience working and/or partnering with Local Parties. Your willingness to prepare a proposal including this factor as a 15% weight in the Evaluation Criteria method.

(viii) Contractor comments on a particular transaction and commercial structure that would best serve the Project contemplated by this RFQ.

(ix) Key information required in order to facilitate project development.
(x) Provide any concerns with any of the information that has been provided in the Draft RFQ. Please explain those concerns and provide proposed solutions or mitigations to address those concerns.

(xi) Interest in submitting a committed proposal for the development of the Project. Particular concerns that may prevent the respondent from engaging in the project development. Particular features that make the project attractive; such as the Parking Portfolio, facilities you consider should be included in the Parking Portfolio or others, for the submission of your proposal.

(xii) Proponents experience operating other commercial activities within the parking facility or adjacent properties.

(xiii) What are the top 5 key risks/issues (financial, technical, other) market identifies as detractors to the P3 project. Your suggestions for mitigating these risks.

(xiv) Expectations of communications with local officials, communities and business and suggested strategies for open and transparent relationships among project participants.

(xv) Additional information that would help the respondent make the business decision to engage in the development of the Project.

**Project Related Experience (1 page maximum)**

This "Project Related Experience" section shall not exceed one (1) double-sided pages. This section shall be used to provide examples of the Interested Contractor’s experience in the past five (5) years specifically related to the envisioned scope of services in the RFQ. The selected experience examples shall include types and range of modernization, types of facilities, construction start date and completion date for each project, project payment mechanism, the location of the project, the number of spaces, construction type (i.e. vertical or horizontal), total project costs (including both hard and soft costs), whether the Interested Contractor was required to obtain financing sources (i.e. private equity, municipal bonds, bank debt, etc.) for the development of the project and financing sources.

**Key Personnel (1 page maximum)**

This "Key Personnel" section shall not exceed one (1) double-sided page. The Interested Contractor/Concessionaire shall provide a list of key personnel with their resumes and provide a minimum of three (3) individual project descriptions and how the individual’s experience on the project is relevant to this Project. The Interested Contractor shall clearly identify a contact person out of a list of key personnel and provide contact information in the event the Authority wishes to inquire about the submittal.

**Financial Information (3 page maximum)**

This "Financial Information" section shall not exceed three (3) double-sided page. This section shall be used to provide the financial information for the Interested Contractor. The Interested Contractor shall be required to provide annual revenues for the past two years, the value of current projects under construction and credit ratings (if available). Note that the Interested Contractor will not be required to provide audited financial statements.

**INVITATION TO DISCUSSING VIA CONFERENCE**

In order to better gauge industry interest in the Project, the Authority invites interested parties to participate in a conference call with the Authority to discuss the matters solicited herein. Interested parties may use a conference call as a format to request clarification and/or interpretations from the Authority, and to discuss Project matters solicited herein. A conference call should not be used for any other purpose. A discussion with the Authority via conference call should be utilized, if necessary, in connection with the submittal of written feedback requested herein; a conference call is not intended to replace any written feedback.

To request a conference call, please contact the Authority member listed herein, identifying a key contact person, telephone number, e-mail address, and brief schedule of availability for a conference call. Please note that a response to any request shall be at the sole discretion of the Authority if deemed beneficial to our purpose.
REQUEST FOR QUALIFICATIONS

Design-Build-Finance-Operate-Maintain Services

Parking Modernization and Optimization Project

www.p3.pr.gov
October 16, 2017
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Terms not specifically defined in this RFQ take their meaning from the Public-Private Partnerships Act, Act No. 29 of June 8, 2009, as amended or the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Public-Private Partnership Contracts under Act No. 29 of June 8, 2009, as amended ("Regulation").
SECTION 1
OVERVIEW OF RFQ AND PROCUREMENT PROCESS

1.1 INTRODUCTION

The Puerto Rico Public-Private Partnership Authority ("Authority"), in collaboration with the Government of Puerto Rico ("Government" and "Owner"), is requesting qualifications from parties interested in participating in a potential procurement process under which a private entity (the "Contractor") will be responsible for the modernization, financing, operation and maintenance of certain Government owned parking facilities ("Project" or "Parking Modernization and Optimization Project") through a long term public-private partnership agreement (the “PPP Contract”).

The Government is presently the largest owner and operator of parking facilities in the island and is facing significant challenges to access the capital to cover the improvement, operation and maintenance expenses required for the optimal functioning of these facilities. In addition, many Government-owned parking facilities are centrally located in core urban areas next to businesses and social activity, for which modern, safe and effective parking facilities and services can make a significant contribution in revitalizing local economic activity.

The Project is transformative in nature given that it seeks to elevate the quality of parking facilities and services provided to drivers and the general public while reducing the footprint of the Government in the parking infrastructure sector. The general objectives of the project are the following:

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<td>▪ Modernize parking facilities</td>
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<td>▪ Enhance service to users and ensure safety</td>
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<td>▪ Reduce government expenses and improve predictability of revenues</td>
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<td>▪ Facilitate urban revitalization and local business economic activity</td>
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Prospective Respondents are encouraged to review the following documents, which are available for download on the Authority’s website at [http://www.p3.pr.gov/]:

“A Guide to Doing Business in Puerto Rico” which provides general information relating to Puerto Rico’s social, legal and macroeconomic conditions including workforce and labor laws, tax system and incentives and construction permits, together with other relevant information;

The Government of Puerto Rico’s Fiscal Plan ("Fiscal Plan"), dated March 13, 2017, which provides a summary of the adopted and certified 10-year fiscal plan for Puerto Rico; and
Financial Information and Operating Data Report ("Commonwealth Report"), dated December 18, 2016, which provides an overall description to Government financial and operational situation as of December 2016.

1.2 BACKGROUND TO PUERTO RICO’S PUBLIC-PRIVATE PARTNERSHIP PROGRAM

Act No. 29-2009, as amended, also known as The Public-Private Partnership Act (the “Act”), was first enacted on June 8, 2009. The Act states that the public policy of the Government is to favor and promote the establishment of public-private partnership ("PPPs" or “P3s”) for the creation of certain Priority Projects (as such term is defined in the Act) and among other things, to further the development and maintenance of infrastructure facilities, share with the private sector the risk involved in the development, operation or maintenance of such projects, improve the services rendered and the functions of the Government, encourage job creation and promote Puerto Rico’s socio-economic development and competitiveness.

The Act provides that the public policy with respect to PPPs must maintain such controls as are necessary to protect the public interest and temper this need with the profit-making purpose of any private operation. The contractual relationship must thus be mutually beneficial, while ensuring the efficient, effective and affordable provision of public goods and services to all citizens.

The Authority was created pursuant to the Act as a public corporation of the Government, affiliated to the Puerto Rico Fiscal Agency and Financial Advisory Authority ("FAFAA"). The Authority is designated as the sole government entity authorized and responsible for implementing the Government’s public policy on PPPs and for determining the functions, services or facilities for which PPPs are to be established.

The Authority must establish a PPP Committee for each proposed PPP project. The PPP Committee is responsible for: (1) the qualification, evaluation and selection processes of the proposed PPP; (2) establishing the terms and conditions of the PPP Contract; and (3) reporting on the procedures followed.

Respondents should note that the PPP Committee has been vested with the authority to negotiate the terms of the PPP Contract. The Authority and, in this case, the Government, have been vested with the authority to approve the PPP Contract agreed by the PPP Committee with a Proponent, subject to final approval by the Governor of Puerto Rico or his delegate.

1.3 FUNCTION OF THIS RFQ

This document is a Request for Qualifications ("RFQ") issued under Section 5.4 of the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Public-Private Partnership Contracts under Act No. 29 of June 8, 2009, as amended ("Regulation"). The Regulation has been updated and revised in accordance to certain amendments to the Act and was approved on May 4, 2017. Prospective Respondents should review carefully the Act and the Regulation (each of which is available for download on the Authority’s website: http://www.p3.pr.gov) and should ensure that they comply with all applicable provisions set out therein.

This RFQ provides each interested prospective Respondent with sufficient information to enable it to prepare and submit a Statement of Qualifications ("SOQ") for consideration and evaluation by the Authority. This RFQ contains instructions to prospective Respondents and a Form of Respondent
Certification, which must be completed in its entirety and submitted to the Authority for the prospective Respondent to be considered for qualification. The completed Form of Respondent Certification, together with all required attachments, shall constitute the prospective Respondent’s SOQ. The Form of Respondent Certification is attached as Appendix A.

The Authority is issuing this RFQ because it has determined that:

1. the Project meets the requirements of Article 3 of the Act; and
2. it is advisable to pursue the establishment of a PPP in connection with the Project.

This RFQ is being issued, in anticipation of a Request for Proposals ("RFP") to be issued by the Authority for the Project, to identify those Respondents that meet the minimum requirements necessary to comply with the Act (as discussed in Section 4 of this RFQ), in particular:

a) financial condition; and

b) technical and professional ability and experience.

The objective of this 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:

a) may be treated as ineligible to submit a proposal on one or more grounds specified in Section 6 of the Regulation;  
b) fails to satisfy the standards established by the PPP Committee with respect to the Respondent’s required financial condition, or technical or professional ability and experience (as discussed in Section 4 of this RFQ); or  
c) 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 in its absolute discretion, to limit 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 of its right to limit the number of Respondents who may be qualified.

1.4 OVERVIEW OF THE CONTENTS OF THIS RFQ

This RFQ requires Respondents to formally express their interest in submitting qualifications and, eventually, a proposal to enter into a PPP Contract for the Project. Section 2 of this RFQ provides an introductory description and highlights of the Project. Section 4 discusses the required qualifications of Respondents and evaluation criteria.
1.5 PROCESS AND SCHEDULE

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

Stage 1 – RFQ Process (Prequalification Stage)

The process, as described in this RFQ (the “RFQ Process”), precedes the RFP process described in Section 1.5(b) below (the “RFP Process”) and is intended to identify the prequalified Respondents that are eligible to participate in the RFP Process (the “Shortlisted Respondents”).

The RFQ Process is a standalone and independent stage that is complete once the Shortlisted Respondents are identified and all Respondents have received final notification as to the results of the RFQ Process.

Stage 2 – RFP Process

The RFP Process is the competitive procurement process that follows the RFQ Process and is intended to result in the selection of a Preferred Proponent.

Stage 3 – Implementation of the PPP Contract

Once the Preferred Proponent and the Owner have executed the PPP Contract, the Project will proceed in accordance with the terms and conditions of the PPP Contract.

A summary schedule of the major activities associated with the procurement process is presented in Table 1-1. The dates and activities are subject to change and may be revised through the issuance of addenda to this RFQ.

The Authority expects to adhere to the following schedule for the qualification of prospective Respondents1:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 16, 2017</td>
<td>An Expression of Interest in the form of a Draft RFQ issued by the Authority for comments from the general public and market participants,</td>
</tr>
<tr>
<td>November 17, 2017</td>
<td>Due date for submitting responses of public and market comments on the Expression of Interest in the form of a Draft RFQ no later than 5:00p.m. AST.</td>
</tr>
<tr>
<td>December 15, 2017</td>
<td>Estimated date of issuance of Final RFQ by the Authority.</td>
</tr>
<tr>
<td>January 8, 2018</td>
<td>Estimated date for End of RFQ Clarification Period.</td>
</tr>
</tbody>
</table>

1 Schedule is tentative and subject to change.
January 22, 2018  -  Estimated due date for submission of SOQs with the Authority no later than 5:00p.m. AST.

In furtherance of the Authority's mission, the PPP Committee reserves the right to reject any and all SOQs, to waive technical defects, irregularities or any informality in SOQs, and to accept or reject any SOQs in its absolute discretion. The PPP Committee also reserves the right to postpone the date on which SOQs are required to be submitted, or to take any other action it may deem in the best interests of the Government.

After the PPP Committee reviews and evaluates all SOQs, it will make public the list of Shortlisted Respondents (but reserves all rights to manage the procurement process as deemed advisable in its absolute discretion pursuant to Section 5.11 of this RFQ).

Respondents that are shortlisted by the PPP Committee and decide to participate in the RFP process will have the opportunity to conduct thorough due diligence, after signing the Confidentiality and Process Agreement, a form of which will be provided to Shortlisted Respondents.

Once a Shortlisted Respondent has executed the Confidentiality and Process Agreement, it will have the opportunity to conduct due diligence of the Project through:

- receipt and review of the RFP for the Project, which will include confidential information about the Project and a detailed and fully-considered draft of a PPP Contract. The PPP Contract will address, among other matters:
  - all of the rights and obligations of the Contractor during the term of the PPP Contract, and
  - detailed and comprehensive description of the Project including draft of operations and maintenance standards, among other documentation.

- access to a data room – this data room will appear online and provide highly detailed information on the Project, including but not limited to:
  - demand analysis;
  - historical data; and
  - other relevant information and requirements.

- respondent meetings;

- site visits; and

- a review of, and discussion relating to, the proposed PPP Contract and related documents.

A more detailed description of the RFP Process, together with a more detailed timetable, will be provided in the RFP. The intention of the PPP Committee is to select a Preferred Proponent in 2018.
1.6 CONSORTIA

To the extent that any Respondent has formed or proposes to form a consortium to participate in the RFP for this Project, such Respondent should respond to this RFQ setting out the identity, role and capabilities of each Team Member of the consortium.

1.7 ADDITIONAL RULES WITH RESPECT TO ALL RESPONDENTS

For the purposes of this RFQ, the following definitions will apply:

“Conflict of Interests” means any situation in which the personal or financial interest of the public official or persons related to such public official is or could reasonably be in contravention of the public interest.

“Contractor” means the Person or Company who executes a PPP Contract with a Partnering Government Entity or the successor thereof.

“Days” means calendar days, unless otherwise expressly stated.

“Desirability and Convenience Study” or “Study” means the study that seeks to determine whether the establishment of the proposed PPP described herein is advisable.

“Federal Agency” means any of the departments of the Executive Branch of the Government of the United States of America, or any department, corporation, agency or instrumentality created or which may be created, designated or established by the United States of America.

“Financial Close” means the time when the PPP Contract and all financing and other agreements related to the Project have been executed and delivered and all conditions to the effectiveness of the PPP Contract and Project financing agreements have been satisfied.

“Government Entity” means any department, agency, board, commission, body, bureau, office, Municipal Entity, public corporation or instrumentality of the Executive Branch, as well as of the Judicial Branch and the Legislative Branch of the Government, whether existing or to be created in the future.

“Key Individual” means an individual who will play an important role in the Project on behalf of a Team Member.

“Key Subcontractor” means each person or legal entity which will be principally or partially responsible for providing legal or technical services or support in connection with the design, construction, maintenance, improvement and life cycle work on the Project.

“Local Parties” means local general contractors, subcontractors, suppliers, manufacturers, professionals (including architects and consulting engineers) and relevant service providers who are based in or have a significant on-going business presence within the Government.

“Parking Portfolio” means the parking facilities described in Section 2 of this RFQ.
“PPP Contract” The contract executed by the selected Proponent and the Partnering Government Entity to establish a PPP, which may include, but shall not be limited to, a contract to delegate a Function, administer or render one or more Services, or conduct the design, building, financing, maintenance, or operation of one or more Facilities that are themselves, or are closely related to, Priority Projects, as established in the Act. A PPP Contract may be, without it being understood as a limitation, any modality of the following kinds of contract: design / build, design / build / operate, design / build / finance / operate, design / build / transfer / operate, design / build / operate / transfer, turnkey contract, long-term lease contract, surface right contract, administrative concession contract, joint venture contract, long-term administration and operation contract, and any other kind of contract that separates or combines the design, building, financing, operation or maintenance phases of the Priority Projects, as established in Section 3 of this Act. The obligations arising from these contracts shall be binding insofar as these do not disrupt the law, morality, or public order.

“Partnership Committee” or “PPP Committee” means a Committee designated by the Authority to evaluate and select qualified persons and the proponents of a Partnership and to establish and negotiate the terms and conditions it deems appropriate for the corresponding Partnership Contract.

“Project” means the modernization and optimization of the Parking Portfolio described in this RFQ solicitation.

“Proponent” means a Shortlisted Respondent that participates in the RFP Process;

“Preferred Proponent” means the Proponent selected by the Authority to undertake the Project and enter into the PPP Contract.

“Public Interest” means any government action directed to protecting and benefiting citizens at large, whereby essential goods and services are provided for the welfare of the population.

“Respondent” means a(n) (i) natural person, (ii) legal person, (iii) joint venture, or (iv) partnership, or (v) consortium of individuals, and/or partnerships, and/or companies or other entities that submit an SOQ in response to this RFQ.

“Scope of the Project” means the work and services to be provided by the Contractor in the design, permitting, financing, construction, and operation and maintenance of the Project, under the Agreement.

“SOQ” means a statement of qualifications to be submitted by Respondents pursuant to this RFQ. All references in this RFQ to “RFQ submissions”, “RFQ submittals”, “responses” and expressions of a like nature are deemed to refer to the SOQ.

“Team Member” means a member of a Respondent. Team Members should be identified in Respondents’ RFQ submissions and not be changed without the consent of the PPP Committee. For the purpose of this Project, Team Members shall include, without limitation, each of the following with respect to a Respondent: each person, partnership, company or legal entity that is formally or informally reviewing the Project and intends to participate as a potential equity investor in the Proponent that will execute the PPP Contract for this Project. This will include (without limitation) the ultimate owner or holding company of any such investor or, in the case of a managed fund or pension plan, the manager of the fund or pension plan; design firm; construction firm; maintenance firm; life cycle firm; and each key subcontractor.
Please note the following with respect to Respondents:

Except as specifically provided to the contrary in this RFQ, no Team Member may join or participate, directly or indirectly, as a Team Member in more than one Respondent for this Project. Each person or legal entity who participates as a Team Member is responsible for ensuring that no other person or legal entity which is “Related” to it joins or participates, directly or indirectly, as a Team Member in any other Respondent. Unless otherwise provided herein, any violation of this provision shall disqualify the Respondent and its Team Members.

A person or company is "Related" to another person or legal entity if: one may exercise Control over the other; or each is under the direct or indirect Control of the same ultimate person or legal entity.

For purposes of this RFQ, a person or legal entity exercises “Control” of another if it is the owner of any legal, beneficial or equitable interest in 50% or more of the voting securities in a corporation, partnership, joint venture or other person or entity or if it has the capacity to control the composition of the majority of the board of directors of any such person or entity or to control the decisions made by or on behalf of any such person or entity or otherwise has the ability to direct or cause the direction of the management, actions or policies of any such person or entity (whether formally or informally); and the terms “Controlling” and “Controlled” have corresponding meanings.

Subject to the requirements and entitlements of the Authority set forth below, submission of an SOQ will not limit a Respondent’s ability to add to, substitute, or subtract from, its Team Members during the procurement process.

The Authority intends to issue the RFP only to Shortlisted Respondents. If for any reason, after the Submission Deadline (as defined below) and prior to issuance of the RFP, a Respondent wishes or requires to: (i) change any Team Members listed in the Respondent’s RFQ submission (either by adding new members, removing listed members or substituting new members for listed members), or (ii) materially change the ownership or Control of a Respondent or a Team Member, then, in each case, the Respondent must submit a written application (with such information as the PPP Committee may require) to the PPP Committee seeking its consent to the proposed change, which consent may be withheld or delayed in the absolute discretion of the PPP Committee. Without limiting the foregoing, the PPP Committee may refuse to consent to a change to a Respondent or its Team Members and/or may disqualify the Respondent from further participation in the procurement process if:

- the change would, in the sole opinion of the PPP Committee, result in a weaker Respondent or Respondent team than that which is listed in the Respondent’s SOQ or result in the Respondent or the Respondent team being materially different from the Respondent (and Respondent team) that was originally shortlisted; or

- the evaluation of the new Respondent team, using the evaluation criteria described in Section 4 of this RFQ, would rank the Respondent, taking into account the proposed change or changes, lower than a Respondent that has not been shortlisted.

For clarity, the Authority’s discretion to consent to changes to a Respondent’s Team Membership includes discretion to approve changes to the legal relationship between the
Respondent and/or its Team Members such as the creation of a new joint venture, partnership or legal entity that will take the place of the Respondent.

The Authority's consent may include such terms and conditions as the Authority may consider appropriate.

1.8 RESTRICTED PARTIES

Restricted Parties (as defined below), their respective directors, officers, partners, employees and persons or legal entities Related to them (as defined in Section 1.7 above) are not eligible to participate as Team Members, or advise any Team Member, directly or indirectly, or participate in any way as an employee, advisor, or consultant or otherwise in connection with any Respondents. Each Respondent will ensure that each Team Member does not use, consult, include or seek advice from any Restricted Party. The following Restricted Parties have been identified:

- CPM PR, LLC
- Pietrantoni Méndez & Álvarez LLC
- EMICA
- any subsidiary or affiliate of the above-mentioned persons or entities.

Moreover, Respondents must comply at all times during the procurement process with the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts (the "Ethics Guidelines"). Prospective Respondents should review the Ethics Guidelines, which are available for download on the Authority's website: http://www.p3.pr.gov/.

Finally, Respondents should be aware that the list of Restricted Parties is not exhaustive and that a person that is not included as a Restricted Party may still be prohibited from participating in the Project pursuant to the provisions of the Ethics Guidelines. However, the fact that a person provides or has provided services to an Owner may not automatically prohibit such person from participating in the Project. Each Respondent is responsible for ensuring that all persons engaged to provide any type of assistance in connection with the Project are in compliance with the provisions of the Ethics Guidelines and, to the extent any question exists as to compliance with the Ethics Guidelines, the Respondent should consult with the Authority.

1.9 DEADLINE

Those interested in becoming Shortlisted Respondents must submit their responses to this RFQ no later than Monday, January 22, 2018 at 5:00 pm (AST) (the “Submission Deadline”). RFQ submissions must be received by the Authority no later than the Submission Deadline at the address and in the manner set out in Section 5.5 below (the “Submission Address”). The Authority will not accept RFQ submissions sent by facsimile, electronic mail, telex or other telegraphic means. The determination of whether an RFQ submission is submitted before the Submission Deadline will be based on the time and date stamp each Respondent must ensure it receives from the Authority/PPP Committee at the Submission Address. It is the sole responsibility of each Respondent to ensure that its RFQ submission is delivered to the Submission Address no later than the Submission Deadline.
RFQ submissions received after the Submission Deadline will be rejected and returned to Respondents unopened.

1.10 CLARIFICATIONS

Note that a Respondent may submit a request for clarification (“RFC”) from the Authority for explanation or interpretation of any matter contained in this RFQ up to at least fourteen (14) days prior to the Submission Deadline – that is, no later than 5:00 p.m. (AST) on Monday, January 8, 2018 (the “Clarification Deadline”). Any such RFC from a Respondent must be made in writing. If the Authority provides any clarification as a result of an RFC, it will provide such clarification by means of a written document delivered to all Respondents no later than Monday, January 15, 2018 (as required by the Regulation). Respondents should note the following regarding requests for clarification:

Respondents may make inquiries only by submitting questions or RFCs to the PPP Committee Representative referred to in Section 5.1 of this RFQ (the “PPP Committee Representative”) by e-mail, no later than the Clarification Deadline. Questions submitted to anyone other than the PPP Committee Representative or by any means other than e-mail will not be answered.

Any Respondent that has questions as to the meaning of any part of this RFQ or the Project, or who believes that the RFQ contains any error, inconsistency or omission, must submit its concern, in writing, to the PPP Committee Representative in accordance with this Section 1.10. The Government may, in their absolute discretion, provide all submitted questions or RFCs, along with the Government's answers thereto, to all Respondents without expressly identifying the originator. The Government will not respond to Respondents’ questions or RFCs that are not submitted in accordance with this Section 1.10.

Any oral or written response provided by the Government in connection with this RFQ will not be binding on the Government nor will it change, modify, amend or waive the requirements of this RFQ in any way. Respondents shall not rely on any response provided other than an Addendum issued in accordance with this RFQ.

Respondents may also make inquiries regarding matters they consider to be commercially sensitive or confidential. Respondents must designate such inquiries as “commercially confidential”. If the Government determine, in their absolute discretion, that an inquiry designated as commercially confidential is of general application or would provide a significant clarification to the RFQ or any process or other matter outlined hereunder, the Government may issue a clarification that deals with the same subject matter. If the Government agree with the Respondent’s designation of an inquiry as commercially confidential, the Government will provide a response only to the Respondent that submitted the commercially confidential inquiry.

1.11 COMMUNICATIONS PROTOCOL

The Authority and the Government are committed to a fair, open and transparent selection process.

No Collusion

Respondents will not discuss or communicate, directly or indirectly, with any other Respondent(s) or any director, officer, employee, consultant, advisor, agent, representative or Team Member of any
other Respondent regarding the preparation, content or representation of their SOQs. SOQs will be submitted without any connection (i.e., arising through an equity interest (other than an equity interest that does not represent a Controlling interest in an entity, as determined by the Authority from time to time) in or of a Respondent or Respondent Team Member), knowledge, comparison of information, or arrangement, with any other prospective Respondent or any director, officer, employee, consultant, advisor, agent, representative or Team Member of any other prospective Respondent.

By submitting a response to this RFQ, a Respondent, on its own behalf and as authorized agent of each firm, corporation or individual Team Member of the Respondent, represents and confirms to the Authority, with the knowledge and intention that the Authority may rely on such representation and confirmation, that its response has been prepared without collusion or fraud, and in fair competition with responses from other Respondents.

No Lobbying

Respondents, and their Team Members and their respective directors, officers, employees, consultants, agents, advisors and representatives, will not, except as expressly contemplated by this RFQ, or as expressly directed or permitted by the Authority, attempt to communicate directly or indirectly with any representative of the Authority, the PPP Committee, except in the event of a RFC, DRC, the FAFAA or the Government in relation to the Project or the RFQ Process, at any stage of this RFQ Process, including during the evaluation process. The Authority reserves the right to disqualify a Respondent that contravenes this provision.

Confirmation of Intention

Respondents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information to the PPP Committee via e-mail at RFQ-PARKING@p3.pr.gov. Also, all RFCs regarding this RFQ should be directed to the PPP Committee Representative via e-mail at RFQ-PARKING@p3.pr.gov. CPM is serving as Procurement and Project Management advisor (the "Advisor") to the Authority and the Government for this Project and will provide assistance in the RFQ and procurement process. Please do not contact any officials or related parties of the Authority or the Government (other than the PPP Committee Representative) via telephone or otherwise. Such contact may serve as grounds for disqualification.
SECTION 2
PARKING MODERNIZATION AND OPTIMIZATION PROJECT

2.1 PUERTO RICO

Puerto Rico is a self-governing territory of the United States and is located in the Caribbean approximately 1,030 miles southeast of Miami, FL. Puerto Rico has an area of approximately 3,500 square miles and a population estimated at 3.41 million by the United States Census Bureau as of July 1, 2016. Benefitting from its strong economic ties with the United States, Puerto Rico has a stable legal and regulatory regime where major U.S. corporations have historically operated.

Puerto Rico is one of the largest economies in the Caribbean. The economy includes a sophisticated financial system, a concentration of pharmaceutical and life sciences manufacturing and consumer, retail and service sectors.

<table>
<thead>
<tr>
<th>KEY PUERTO RICO FACTS 2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
</tr>
<tr>
<td>Land Area</td>
</tr>
<tr>
<td>Currency</td>
</tr>
<tr>
<td>Language</td>
</tr>
<tr>
<td>GDP Per Capita (USD, Current terms)</td>
</tr>
</tbody>
</table>

* Data according to US Census 2016 and Puerto Rico Planning Board. Data in fiscal year.

2.2 PROJECT BACKGROUND AND CONTEXT

Puerto Rico has one of the most motorized populations in the United States. Puerto Rico enjoyed rapid economic growth from 1970 to 2000. During these three decades, the population and businesses experienced significant improvements in income, infrastructure and upgrades in consumer behavior, among other positive developments. Urban sprawl and high private vehicle ownership were part of the unintended results of the overall improving economic environment. Considering these factors, the provision of parking facilities and services increasingly became fundamental for the daily functioning of businesses and people in highly visited areas and locations.

The Government is presently the largest owner and operator of parking facilities in Puerto Rico. The Government has estimated that it currently owns approximately 27,500 parking spaces throughout the entire Island. Furthermore, approximately 46% of the Government parking spaces are concentrated within the capital city of San Juan, which is to be expected due to the agglomeration of Government services in San Juan. Moreover, the Government considers that partnering with the private sector to improve, finance, operate and maintain parking facilities can be favorable under Puerto Rico’s present fiscal juncture.

There are ample precedents related to the participation of private investment in government-owned parking facilities. According to recent P3 industry articles, a total of $3.52 billion of private
investment has found opportunities in parking facilities\textsuperscript{2}. Additional publications have indicated that private investment and management of parking has led to improvements in physical conditions, maintenance, and optimization of operations and integration of technology including payment methods\textsuperscript{3}.

The Project is expected to deliver savings and facilitate investment in the modernization and optimization of numerous parking facilities. More importantly, the Project is anticipated to enhance services to the general public and can facilitate urban rehabilitation. In addition, the Project is consistent with Puerto Rico’s Fiscal Plan, which establishes a 10-year blueprint for the Government to reach sustainable fiscal balance and economic growth.

2.3 PROJECT OVERVIEW

The Government is interested in delivering enhanced parking services, facilitate urban rehabilitation and reduce its exposure to recurring operations, maintenance and life cycle responsibilities associated with owning numerous parking spaces throughout Puerto Rico.

As the largest owner and operator of parking facilities in Puerto Rico, the Government proposes to enter into a long-term contract with a qualified private partner to modernize, finance, and optimize operations and maintenance for 9 parking facilities located in San Juan. Despite the fact that the Government owns approximately 27,500 parking spaces across over 100 parking facilities distributed throughout Puerto Rico, the proposed Project focuses on a discrete number of parking facilities in San Juan (the “Parking Portfolio”). In general terms, the 9 parking facilities included in the Parking Portfolio are located in two main geographical clusters: cluster in the north of San Juan (mainly composed of Old San Juan, Miramar and Santurce areas) and a cluster located to the central area of San Juan (composed of the areas of Hato Rey and Río Piedras). Below is a list that includes a summary of every parking facility contained in the Parking Portfolio.

Table 1: Summary List of Government-owned Facilities included in the Parking Portfolio

<table>
<thead>
<tr>
<th>#</th>
<th>Parking Facility</th>
<th>Area in San Juan</th>
<th>Parking Type</th>
<th>Year of Construction</th>
<th>Parking Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PR Conservatory of Music</td>
<td>Miramar Area</td>
<td>Parking garage</td>
<td>2007</td>
<td>260</td>
</tr>
<tr>
<td>2</td>
<td>Luis A. Ferré Performing Arts Ctr.</td>
<td>Santurce Area</td>
<td>Parking garage</td>
<td>1983</td>
<td>426</td>
</tr>
<tr>
<td>3</td>
<td>Minillas Govt. Ctr. – Old Parking</td>
<td>Santurce Area</td>
<td>Parking garage</td>
<td>1973</td>
<td>982</td>
</tr>
<tr>
<td>4</td>
<td>PR Department of Justice</td>
<td>Miramar Area</td>
<td>Parking garage</td>
<td>1987</td>
<td>276</td>
</tr>
<tr>
<td>5</td>
<td>Dept. of Labor &amp; Human Res.</td>
<td>Hato Rey Area</td>
<td>Parking garage</td>
<td>1965</td>
<td>292</td>
</tr>
<tr>
<td>6</td>
<td>PR Industrial Development Co.</td>
<td>Hato Rey Area</td>
<td>Parking garage</td>
<td>1984</td>
<td>490</td>
</tr>
</tbody>
</table>

\textsuperscript{2} Public Works Financing.

\textsuperscript{3} Infrastructure Investor.
Due to their diverse characteristics, the Parking Portfolio facilities contained in the Project vary in terms of the state of their physical condition. The Project would require investment in improving the physical condition of the parking facilities with a focus on safety for users, personnel and pedestrians. In order to determine the investment amount required for such capital investment, the Government commissioned a thorough assessment of the parking facilities, which served as basis for specifying and estimating the investment for such improvements.

### 2.4 PROJECT DESCRIPTION

The Project is transformative in nature given that it seeks to elevate the quality of parking facilities and services to users and the general public while reducing the footprint of the Government in non-essential services. The general objectives of the Project include the following:

- **Modernize parking facilities**: parking facilities constitute constructions with real estate and infrastructure characteristics that play an important role in facilitating the provision of services and interactions among public and businesses. The Government considers that it is in its best interests to ensure that general public and businesses can have access to adequate parking while conducting business with different Government instrumentalities. Furthermore, the Government understands significant value for money can be realized by transferring the responsibility of improving and modernizing parking facilities to the private sector. In addition, the Government is aware of the symbiotic relationship between parking and urban settings. For instance, the inadequate provision of parking can provoke drivers to spend time cruising for parking which in turn increases delays and reduces reliability of trips for drivers. Also, investment in parking facilities and reinvestment of parking revenues into streetscape projects can result in increased business activity in downtown or urban areas.

- **Enhance service to users and ensure safety**: the Government is interested in ensuring that the Project results in significant improvements in customer service and safety for parking users. Improved customer service includes but is not limited to greater availability of alternative payment methods (including mobile applications), access to managerial and administrative personnel, integration of technology to efficiently circulate, park, enter and exit the parking facility. In addition, the Government is seeking to ensure the safety of users of the parking facilities. It is of critical importance that users park in a facility that is well lit,
that CCTV systems are properly functioning, and that law enforcement officers can access reliably.

- **Reduce government expenses and improve predictability of revenues**: as the largest owner and operator of parking facilities on the Island, the Government faces significant expenses and financial requirements associated with parking facilities. The Government is presently seeking to reduce or fully transfer its exposure to recurrent expenses, maintenance and life cycle requirements of its parking facilities. In addition, the Project is expected to produce better predictability of parking revenues.

- **Facilitate urban revitalization and local business economic activity**: parking facilities are part of the core urban fabric and play an important role in facilitating day-to-day business activities. Availability of parking is usually a key consideration in business location decisions. In general terms, parking has a symbiotic relationship with its immediate urban surrounding and nearby businesses. Leveraging the location and improving the services and physical conditions of parking facilities can help spark or contribute to urban rehabilitation.

The Authority and the Government propose to deliver the Project through a PPP procurement, where the responsibilities to design, build, and finance the improvements and modernization of parking facilities, in addition, to their operations and maintenance are expected to be transferred to the Selected Proponent.

A general description of the Parking Portfolio is provided below including geographical location, and condition description. However, the Authority has not finalized the due diligence of certain parking facilities that could potentially be included in the final Parking Portfolio issued in the RFP of the Project. The Government is considering including parking facilities near areas of interest in Old San Juan, Santurce and Hato Rey that could provide additional economic value to the Project.
Figure 1: Aerial Location of Parking Facilities Contained in Parking Portfolio
Below is a general description of each parking facility included in the Parking Portfolio. The information provided is updated data collected through a series of visits and records provided by Government.

**Parking Facility #1: Puerto Rico Music Conservatory Parking Garage**

| Location in San Juan: | 951 Ponce de León Ave., Miramar |
| Year of Construction: | 2007 |
| Parking Type: | Parking garage |
| No. Parking Spaces: | 260 |
| Base Fee for 1st Hour: | $2.00 |
| Primary Uses: | Employees and visitors |
| Competing Facilities: | On-street parking |

The Puerto Rico Music Conservatory parking garage is a 3-levels structure, flat tiers, vehicular ramp parking garage built in 2007. It is well-maintained with an attractive garden green roof and plaza above for the use of the Conservatory's activities. The parking facility is well integrated and contained within the Conservatory site for which it is not a separate free-standing structure. Nearby buildings and/or areas of interest include the Condado Lagoon and certain nearby restaurants on Ponce de Leon Avenue.

The Authority has identified the need for the following basic maintenance improvements: waterproofing treatment is required in several areas of the structure, planting soil removal to address water leaks, new green roof system at planting area is needed, concrete patching in several pavement areas, pressure washing for concrete surfaces and painting activities, and lighting fixtures replacement is recommended.

**Parking Facility #2: Luis A. Ferré Performing Arts Center Parking Garage**

| Location in San Juan: | 22 Ponce de León Ave., Santurce |
| Year of Construction: | 1983 |
| Parking Type: | Parking garage |
| No. Parking Spaces: | 426 |
| Base Fee for 1st Hour: | $1.75 |
| Primary Uses: | Employees and visitors |
| Competing Facilities: | Minillas Govt Ctr. and Centro Europa |

The Luis A. Ferré Performing Arts Center parking facility was built from 1974 to 1983. It is a large facility and has a combined 2 split-levels building garage and an open lot configuration. It was part of the construction of the Minillas Tunnel. This parking facility serves the Luis A. Ferré Performing Arts Center and the recently constructed Symphony Hall, which was built in 2004. Both the parking garage and the open parking lot were built above the tunnel and the garage has the Performance Center Plaza on its roof, together with a water fountain, an extensive planting area with trees, sculptures and a restaurant
concession (not included in the Project). Nearby buildings and/or areas of interest is the Minillas Government Center.

The Authority has identified a series of required improvements that include: waterproofing treatment is mandatory in several areas of the structure, planting soil removal to address water leaks is required, concrete patching in several pavement areas, pressure washing for concrete surfaces and significant painting activities are needed, lighting fixtures replacement and electrical wiring works, CO2 sensors replacement and other miscellaneous mechanical works are recommended.

**Parking Facility #3: Minillas Government Center Old Parking Garage**

<table>
<thead>
<tr>
<th>Snapshot</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location in San Juan:</strong></td>
<td>Near Santurce Marketplace, Santurce</td>
</tr>
<tr>
<td><strong>Coordinates:</strong></td>
<td>NAD83: x:238487.2007, y: 268314.3897 y (Lat: 18.44992360, Lon: -66.06938276)</td>
</tr>
<tr>
<td><strong>Year of Construction:</strong></td>
<td>1973</td>
</tr>
<tr>
<td><strong>Parking Type:</strong></td>
<td>Parking garage</td>
</tr>
<tr>
<td><strong>No. Parking Spaces:</strong></td>
<td>982</td>
</tr>
<tr>
<td><strong>Base Fee for 1st Hour:</strong></td>
<td>$1.50</td>
</tr>
<tr>
<td><strong>Primary Uses:</strong></td>
<td>Employees and visitors</td>
</tr>
<tr>
<td><strong>Competing Facilities:</strong></td>
<td>Adjacent municipal garages and on-street parking</td>
</tr>
</tbody>
</table>

The Minillas Government Center Old Parking Garage is a 14 split-level tier amounting to a 7-story building. This facility was built in 1973 and is a combined garage-lot type, but spaces in the open lot are few. Nearby buildings and/or areas of interest include the Luis A. Ferré Performing Arts Center, the Minillas Government Center, Museum of Art of Puerto Rico and the Santurce Marketplace, which offers certain entertainment and nightlife activities.

The Authority has identified the following required improvements: pressure washing for concrete surfaces and painting, concrete patching in several pavement areas and structural concrete topping is needed, replacement of waterproofing treatment at upper level, floor drains replacements, replacement of electrical distribution panel and electrical wiring works, wheel stop replacement in some areas, expansion joint replacement are required, and metal and handrails replacement with sandblasting to existing steel frame incrusted at roof.

**Parking Facility #4: Puerto Rico Department of Justice Parking Garage**

<table>
<thead>
<tr>
<th>Snapshot</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location in San Juan:</strong></td>
<td>Olimpo St., Miramar</td>
</tr>
<tr>
<td><strong>Coordinates:</strong></td>
<td>NAD83: x:236771.8557, y: 269125.2252 y (Lat: 18.5753252, Lon: -66.08552974)</td>
</tr>
<tr>
<td><strong>Year of Construction:</strong></td>
<td>1987</td>
</tr>
<tr>
<td><strong>Parking Type:</strong></td>
<td>Parking garage</td>
</tr>
<tr>
<td><strong>No. Parking Spaces:</strong></td>
<td>276</td>
</tr>
<tr>
<td><strong>Base Fee for 1st Hour:</strong></td>
<td>Free of charge</td>
</tr>
<tr>
<td><strong>Primary Uses:</strong></td>
<td>Employees of the PR Dept. of Justice</td>
</tr>
<tr>
<td><strong>Competing Facilities:</strong></td>
<td>On-street parking</td>
</tr>
</tbody>
</table>
The parking structure for the Puerto Rico Department of Justice, also known as “El Caracol”, is a 4 level parking garage built in 1987. The parking facility was built specifically to serve the employees of the Department of Justice but sits on a highly commercial strip in the Miramar Area. Nearby buildings and/or areas of interest include the Condado Lagoon, retail and entertainment activities and the Miramar Historic Zone, among others.

A summary of required preventive maintenance activities include: pressure washing for concrete surfaces and painting, concrete patching in several pavement areas, replacement of waterproofing treatment at upper level, installation of ornamental fences, stair noising and expansion joints replacement are needed, re-paint parking line markings, replacement of lighting poles and wall lamps, and replacement of one elevator. In addition, this parking facility reveals signs of increased improvements. For instance, the facility has poor floor condition of the lower level pavement and there is high temperature and humidity due to damaged mechanical ventilation components. Also, there are exposed reinforcement bars in ceilings, walls, columns and beams.

**Parking Facility #5: Puerto Rico Department of Labor and Human Resources Parking**

<table>
<thead>
<tr>
<th>Snapshot</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location in San Juan:</strong></td>
<td>505 Muñoz Rivera Ave., Hato Rey</td>
</tr>
<tr>
<td><strong>Coordinates:</strong></td>
<td>NAD83: x: 239852.8756, y: 264538.8808 (Lat: 18.41612867, Lon: -66.05613687)</td>
</tr>
<tr>
<td><strong>Year of Construction:</strong></td>
<td>1965</td>
</tr>
<tr>
<td><strong>Parking Type:</strong></td>
<td>Parking garage</td>
</tr>
<tr>
<td><strong>No. Parking Spaces:</strong></td>
<td>292</td>
</tr>
<tr>
<td><strong>Base Fee for 1st Hour:</strong></td>
<td>Free of charge for visitors. Employees pay ($15.00 to $30.00 monthly)</td>
</tr>
<tr>
<td><strong>Primary Uses:</strong></td>
<td>Employees of the Dept. of Labor</td>
</tr>
<tr>
<td><strong>Competing Facilities:</strong></td>
<td>On-street parking</td>
</tr>
</tbody>
</table>

The Puerto Rico Department of Labor and Human Resources (DLHR) is headquartered in the Prudencio Rivera Building in the Hato Rey area with direct access to a Tren Urbano station and close to numerous offices and retail activity. The parking garage of the DLHR headquarters is composed of a 2 levels above ground and 4 split levels below ground amounting to a 5-story high (3 levels underground) built in 1965. The geometry of the site and building led to certain design trade-offs where the upper levels do not connect with the lower levels. The different levels are accessed using separate ramps. Currently, the spaces in the upper levels are reserved for administrative personnel and the lower levels for staff and employees.

Basic required maintenance activities include: pressure washing for concrete surfaces and painting, concrete patching in several pavement areas, replacement of waterproofing treatment at upper level, installation of epoxy paint for floor parking levels, and lighting fixture replacement to improve illumination and reduce energy cost.
Parking Facility #6: Puerto Rico Industrial Development Company Parking Garage

<table>
<thead>
<tr>
<th>Snapshot</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Location in San Juan</td>
<td>355 Franklin Delano Roosevelt Ave.</td>
</tr>
<tr>
<td>Year of Construction:</td>
<td>1984</td>
</tr>
<tr>
<td>Parking Type:</td>
<td>Open parking garage</td>
</tr>
<tr>
<td>No. Parking Spaces:</td>
<td>490</td>
</tr>
<tr>
<td>Base Fee for 1st Hour:</td>
<td>Free of charge</td>
</tr>
<tr>
<td>Primary Uses:</td>
<td>PRIDCO employees and visitors</td>
</tr>
<tr>
<td>Competing Facilities:</td>
<td>Private parking in adjacent office buildings</td>
</tr>
</tbody>
</table>

The Puerto Rico Industrial Development Company (PRIDCO) is located on the Franklin Delano Roosevelt Ave. in the area of Hato Rey in an iconic building that also serves as the headquarters for the Puerto Rico Department of Economic Development and Commerce (DEDC) and the Puerto Rico Export Company (PREC). The parking garage is a 7 split-level tier amounting to a 4-story building. This parking facility was built in 1984 and it has been well maintained. Nearby buildings and/or areas of interest include Plaza Las Américas Shopping Center and Telemundo TV / Media Headquarters, and access to commercial offices and retail stores.

The Authority with assistance of a technical team has identified the following required preventive maintenance activities: pressure washing for concrete surfaces, and the replacement of waterproofing treatment at upper level.

Parking Facility #7: Puerto Rico Department of Housing Parking Garage

<table>
<thead>
<tr>
<th>Snapshot</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Location in San Juan</td>
<td>606 Celso Barbosa Ave., Río Piedras</td>
</tr>
<tr>
<td>Year of Construction:</td>
<td>1999</td>
</tr>
<tr>
<td>Parking Type:</td>
<td>Ramp access open parking garage</td>
</tr>
<tr>
<td>No. Parking Spaces:</td>
<td>1,405</td>
</tr>
<tr>
<td>Base Fee for 1st Hour:</td>
<td>Free of charge</td>
</tr>
<tr>
<td>Primary Uses:</td>
<td>Employees and visitors</td>
</tr>
<tr>
<td>Competing Facilities:</td>
<td>Adjacent building garages, street parking</td>
</tr>
</tbody>
</table>

The headquarters of the Puerto Rico Department of Housing are located on the Celso Barbosa Avenue, a highly traveled urban arterial in the heart of the Río Piedras area. The parking facility of the Department of Housing has a combined building garage and an open lot configuration. The garage portion has spaces that serve a variety of activities such as offices, cafeteria, child care center, care center for the elderly and storage rooms, while the parking lot contains sub-lots that are adjacent or in the same areas where other services are offered. As a result, the parking garage and the parking lot can be considered for multi-use purposes. Nearby buildings and/or areas of interest includes numerous retail and commercial offices and the Río Piedras Campus of the University of Puerto Rico.
Required preventive maintenance needs include: pressure washing for concrete surfaces and painting, replacement of waterproofing treatment at upper level, lighting fixtures replacement to improve illumination and reduce energy cost, wheel stop replacement in upper level, and cleaning of storm sewer drainage system.

**Parking Facility #8: Puerto Rico Metropolitan Bus Authority Parking Lot**

<table>
<thead>
<tr>
<th>Snapshot</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Location in San Juan:</td>
<td>37 De Diego Ave., Río Piedras</td>
</tr>
<tr>
<td>Coordinates:</td>
<td>NAD83: x: 2373000000, y: 2614440000 (Lat: 18.38646394, Lon: -66.07962760)</td>
</tr>
<tr>
<td>Year of Construction:</td>
<td>1977</td>
</tr>
<tr>
<td>Parking Type:</td>
<td>Parking Lot</td>
</tr>
<tr>
<td>No. Parking Spaces:</td>
<td>1,428</td>
</tr>
<tr>
<td>Base Fee for 1st Hour:</td>
<td>Free of charge</td>
</tr>
<tr>
<td>Primary Uses:</td>
<td>Veterans Hospital, San Francisco Urban Train Station</td>
</tr>
<tr>
<td>Competing Facilities:</td>
<td>On-street parking</td>
</tr>
</tbody>
</table>

The headquarters of the Puerto Rico Metropolitan Bus Authority (MBA) are located in the De Diego Ave., in the area of Río Piedras in San Juan. The MBA headquarters have an extensive parking lot area that has been included in the Parking Portfolio. The parking lot has 1,428 spaces. This parking facility recently received certain improvements including recent asphalt application, new paint for parking spaces and storm sewer system cleaning. There are two additional sub-lots, one for official smaller vehicles and another for additional employees' spaces. There is also an emergency gate in the driveway that leads to the visitors and employees parking lot. Nearby buildings and/or areas of interest include the Veterans Hospital and the San Francisco Tren Urbano Station.

In terms of required preventive maintenance he follow actions will have to be executed: lighting poles replacement in order to improve illumination and reduce energy cost, new security camera system and water storm sewer catch basins need to be raised to level with the existing road.

**Parking Facility #9: Solid Waste Management Authority Parking Garage**

<table>
<thead>
<tr>
<th>Snapshot</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Location in San Juan:</td>
<td>Route PR-8838, Río Piedras, El Cinco</td>
</tr>
<tr>
<td>Year of Construction:</td>
<td>2002</td>
</tr>
<tr>
<td>Parking Type:</td>
<td>Parking garage</td>
</tr>
<tr>
<td>No. Parking Spaces:</td>
<td>1,421</td>
</tr>
<tr>
<td>Base Fee for 1st Hour:</td>
<td>Free of charge</td>
</tr>
<tr>
<td>Primary Uses:</td>
<td>Employees and visitors</td>
</tr>
<tr>
<td>Competing Facilities:</td>
<td>On-street parking</td>
</tr>
</tbody>
</table>

The headquarters for the Solid Waste Management Authority (SWMA) are located in the Río Piedras. The parking garage of SWMA is a facility composed of an 8 level, 8 flat tiers, and 7 ramp tiers built in 2002. The facility has a combined building garage and an open lot configuration. Currently, the entire parking facility
is shared by four government agencies: Solid Waste Management Authority, Department of Natural and Environmental Resources, Public Service Commission and the Environmental Quality Board. Nearby buildings and/or areas of interest include the Botanic Garden of the University of Puerto Rico and Tren Urbano Station.

The required preventive maintenance activities include: pressure washing for concrete surfaces and painting, lighting fixtures replacement to improve illumination and reduce energy cost, and new asphalt for access roads to the parking building.

2.5 PROJECT AUTHORITY

The parking facilities included in the Parking Portfolio are presently owned, operated and maintained by more than one Government instrumentality. The Government is interested in consolidating, contractually or otherwise, the parking facilities under a single entity in order to facilitate an effective contractual counter-party for the Project. The Government will provide the details of this contracting entity during the RFP phase.

2.6 PROJECT COMMERCIAL STRUCTURE AND PAYMENT MECHANISM

The Government is interested in effectively transferring a series of risks in exchange for the right to collect fees and commercially maximize the Parking Portfolio. It is anticipated that the PPP Contract for the Project will have a term that could range from 25 to 30 years. The Selected Proponent will be responsible for conducting a series of responsibilities at their own risk. Below is a risk allocation table that summaries the scope of functions and responsibilities that will be allocated between the Government and the Preferred Proponent.

<table>
<thead>
<tr>
<th>Project Risks</th>
<th>Private Partner</th>
<th>Shared</th>
<th>Public Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Risk</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delay &amp; Compensation events</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Law</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Rates Pre-Financial Close</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refinancing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access and Easements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site Geology</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Risks</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Archaeology &amp; Fossils</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access and Adjustment to Utilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Permits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity Price Adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes by the Public Sponsor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Selection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Replacement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Usage/Demand Risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competing Facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It is expected that the Selected Proponent will be responsible for certain major risks for the Project including financing risk, design, construction of parking improvements, technology selection and replacement, performance risks, performance and demand risks among others.

The Preferred Proponent will be responsible for collecting fees in accordance to the PPP Contract. The Project is a
demand risk project where the payment mechanism fully based on fees of users. In addition, the PPP Contract will establish a Revenue Sharing element to ensure an effective alignment of objectives and execution of overall business plan.

2.6.1 Key Drivers of Service Needs

The proposed Project is a turning point in the provision of parking services in Puerto Rico. There are at least three main factors that act as driving forces for the Project:

**Key driver #1: Strong drivers of parking demand**

Historically, Puerto Rico has shown strong drivers of parking demand. Despite the recent economic softness on the Island, residents of Puerto Rico continue to prefer, and to a large extent, depend on individual private transportation. Puerto Rico remains a highly motorized society that experiences the need for parking services on a daily basis. According to 2010 data from the U.S. Census and the U.S. Federal Highways Administration, Puerto Rico had 68 automobiles per every 100 persons, the highest in the U.S. and there were an estimate of 475 automobiles per every square mile, for which Puerto Rico came fourth after New Jersey, Connecticut and Rhode Island. Puerto Rico’s stock of registered private automobiles remains high.

The use of mass transit by residents of Puerto Rico is another indicator of parking demand. Patronage and overall ridership for mass transit systems remain extremely low in Puerto Rico, which leads to believe that alternative modes of transportation are not poised to reduce preference for private vehicles. Data from the American Public Transportation Association shows that the number of bus transit trips per capita in Puerto Rico was only 1.6 trips compared with 8.1 trips for Connecticut and 15.3 for the entire United States in 2016.

**Key driver #2: Severe government fiscal constraints**

The present fiscal condition of the Government serves as a strong driver of the Project. In March 2017, Puerto Rico adopted a Fiscal Plan (“Fiscal Plan”), which was certified by the Puerto Rico Financial Oversight and Management Board as required by the Puerto Rico Oversight Management and Economic Stability Act (“PROMESA”) enacted by the U.S. Congress in June 2016. The Fiscal Plan provides a blueprint for Puerto Rico to reach sustainable fiscal balance within a period of ten years. The Fiscal Plan contemplates government right-sizing measures and P3 infrastructure initiatives that include the proposed Project. The Government’s ability to make capital investments and cover the operations and maintenance expenses for non-essential services, including parking services, is limited by budget constraints and the size of its debt stock. In order to achieve the desired objectives, the Government is required to conduct a series of initiatives including the proposed Project.

**Key driver #3: Ensure adequate provision of services to general public**

Despite its budgetary limitations, the Government is interested in ensuring adequate provision of facilities and services for the general public. The Project is expected to modernize and optimize the operations and maintenance of parking facilities, which is an endeavor consistent with the overarching objective of the Government and demands of general public to receive services and conduct business with the Government in facilities that are at appropriate conditions.

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2.6.2 Project Benefits

The Project promises benefits that can be classified in two main categories: economic and social benefits. The economic benefits range from positive economic impacts derived from the Project’s capital investments to the opening of new business opportunities for local businesses, professionals and investors. With respect to social benefits, the Project promises improved urban spaces and optimizing Government services. The table below provides a summary of the main Project benefits:

<table>
<thead>
<tr>
<th>BENEFIT CATEGORY</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic Benefits</strong></td>
<td>Project will facilitate capital investment, which in turn will generate economic stimulus in the form of jobs, consumer spending, and tax revenues, among others.</td>
</tr>
<tr>
<td></td>
<td>Enhancement and optimization of parking operations and services will contribute to urban rehabilitation and can have a positive effect on local economic activity.</td>
</tr>
<tr>
<td></td>
<td>Significant savings for Government and greater predictability in potential revenues, all of which contribute in reaching fiscal balance.</td>
</tr>
<tr>
<td></td>
<td>The Project will provide an investment opportunity for the private sector and establish a positive precedent of investment in infrastructure, which will strengthen confidence in Puerto Rico as an investment destination.</td>
</tr>
<tr>
<td></td>
<td>The Project will provide investment and business opportunities to local parking companies and professionals. The incorporation of participation of local industry participants will effectively link the domestic economy to significant new inflows of capital and collaboration with global partners.</td>
</tr>
<tr>
<td></td>
<td>The Project will add value in the delivery of modern parking facilities and services. The PPP procurement method encourages the incorporation of value added elements for the Project.</td>
</tr>
<tr>
<td><strong>Social Benefits</strong></td>
<td>The Project will contribute to rehabilitation of urban centers of activity. Urban redevelopment or rehabilitation generates more sociable spaces for the enjoyment of general public.</td>
</tr>
<tr>
<td></td>
<td>The Project is to enhance facilities and customer service for citizens that seek government services.</td>
</tr>
</tbody>
</table>
SECTION 3
PUERTO RICO AS INVESTMENT DESTINATION

Puerto Rico offers numerous benefits as an investment destination. The Government believes that
the Project represents a well-defined investment opportunity. This section discusses the following
highlights of Puerto Rico as an investment destination:

- Overview of fiscal situation and investment climate
- Clear and transparent procurement and investment framework
- Attractive project structure
- Marquee project opportunity

3.1 OVERVIEW OF FISCAL SITUATION AND INVESTMENT CLIMATE

Puerto Rico has one of the largest economies in the Caribbean region. As a territory of the U.S. since
1898, Puerto Rico offers a stable legal and regulatory framework where major U.S. and foreign multi-
national corporations have historically operated, benefiting from its favorable investment
environment and tax advantages. Puerto Rico has a well-educated and bilingual workforce with a
sophisticated financial system that historically has acted as a global center for manufacturing,
including pharmaceutical, biotechnology, medical devices, agriculture, rum, aerospace, and
electronics, complemented by strong consumer, retail and service sectors.

Currently, the Government, its agencies, public corporations and instrumentalities are in the midst
of a profound fiscal adjustment. In June 2015, the Government created a working group tasked with
analyzing the fiscal and economic situation of Puerto Rico. After a series of studies and analyses, this
working group estimated Puerto Rico's consolidated budget and financing gap (including required
pension payments and debt service on tax-supported debt) to be approximately $59 billion between
fiscal years 2017 and 2026.

Multiple factors contributed to this situation, including: (a) since 2006, the Government's balance
sheet significantly deteriorated due to years of economic recession, and (b) the Government
historically financed recurring expenses with long-term debt and failed to adequately fund legacy
obligations, including the public employee's pensions systems. The deterioration of the
Government's balance sheet, coupled with continued structural budget imbalances and a lack of
continuity and execution capacity in fiscal and economic plans, led to the loss of capital markets
access in 2015, limited the Government's ability to make necessary infrastructure maintenance and
improvements investments, and meet scheduled debt service payments, while guaranteeing
essential government services.

Recognizing the delicate fiscal condition of Puerto Rico, PROMESA was enacted on June 30, 2016.
PROMESA provides a series of mechanisms to achieve fiscal and budgetary balance and capital
market access to spur infrastructure revitalization in Puerto Rico. Among its mains provisions,
PROMESA established the Financial Oversight and Management Board (“Oversight Board”), provided
a framework to restructure Puerto Rico's public debt, called for the approval of long-term fiscal plans
and budgets, mandated balanced budgets and established a mechanism to identify and pursue critical
infrastructure projects through an accelerated local permitting process and a prioritized federal
review procedure to ensure the prompt and effective revitalization of Puerto Rico’s critical
infrastructure, necessary to spur and support sustainable economic development.
The Administration of Governor Ricardo Rosselló Nevares took office on January 2, 2017, and as required by PROMESA, submitted a 10-year fiscal plan on February 28, 2017, as amended and certified by the Oversight Board on March 13, 2017 ("Fiscal Plan"). The Fiscal Plan addresses a revised $67 billion budget gap over the next 10 years, pension reform to secure the benefits of retired and active public employees, while guaranteeing the provision of essential services by the Government and improving the quality of life of the 3.5 million U.S. citizens residing in Puerto Rico. The Fiscal Plan includes redesigning the way the Government operates by integrating and transferring services from the public sector to private entities with proven track records.

In addition to the Fiscal Plan, the Government has taken swift actions that include, but are not limited to, the strengthening of FAFAA and the approval of Executive Order 003-2017, declaring a state of emergency regarding the condition of various infrastructure sectors in Puerto Rico, thus allowing the implementation and use of an expedited emergency permitting process under Act. No. 76-2000, consistent with PROMESA’s statutory provisions.

The Fiscal Plan seeks to advance PPPs as a way to revitalize infrastructure, attract private investment and spur economic development on the Island. Under the Fiscal Plan, the Authority is scheduled to launch a significant pipeline of projects that amount to $5.1 billion in infrastructure investment over the next ten years. Governor Rosselló has taken unequivocal steps for improving the PPP framework and advancing bankable projects. In January and June 2017, a series of amendments to the PPP framework were enacted that allow for unsolicited proposals, pre-development agreements and facilitate the approval procedures for projects under the Act. Also, on April 2017, the Government conducted its first Puerto Rico P3 Summit in order to restore communication with the infrastructure market and investors and begin showcasing the opportunities in Puerto Rico and the future project pipeline.

The Fiscal Plan together with a strong policy supporting PPPs, will allow Government to formulate an attractive project pipeline and deliver transformative projects that will also spur economic development and expansion of the private sector in Puerto Rico.

3.2 CLEAR AND TRANSPARENT PROCUREMENT AND INVESTMENT FRAMEWORK

The Project is being procured under the framework of the Act and is managed by the Authority, on behalf of and in collaboration with the Government. Also, the procurement is conducted under the detailed guidelines of the Regulation. Under the Act, Puerto Rico has been successful in completing major projects. Puerto Rico implemented the largest investment in a public school system with the ‘Schools for the 21st Century Project’, a design-build-maintain project conducted under the Act. Furthermore, in September 2011, Puerto Rico reached financial close on the long-term concession of toll roads PR-22 and PR-5 for which Puerto Rico received a lump-sum payment of approximately $1.1 billion. Later in 2013, the Authority also successfully closed a long-term lease for the Luis Muñoz Marin International Airport. Presently, the Authority is also pursuing PPPs for certain Projects with different public agencies.

3.3 ATTRACTIVE PROJECT STRUCTURE

The Authority, with the collaboration with its Advisors, have analyzed different commercial structures for the Project. The Authority strongly believes that a design-build-finance-operate-maintain risk allocation together with a user or demand-based payment mechanism provides the
optimal commercial structure given the Project objectives, the economic fundamentals of the Project and the fiscal juncture of the Government. The Authority believes the proposed commercial structure provides an attractive investment opportunity. In addition, this structure is consistent with other parking PPP project precedents.

### 3.4 MARQUEE PROJECT OPPORTUNITY

The Project represents an opportunity to successfully showcase the transformative and positive difference that PPPs can provide in the parking sector. The Project represents significant physical improvements and compliance with certain operations and maintenance specifications for a large portfolio of parking facilities. This undertaking is one for which the Government is not considering any other alternative to the proposed Project. Meeting the service needs requires a partnership with the private sector. In case the Government does not elect to complete the Project, it is probable that service needs will not be met.
SECTION 4
RESPONDENT QUALIFICATION REQUIREMENTS AND EVALUATION CRITERIA

4.1 RESPONDENTS QUALIFICATION REQUIREMENTS AND EVALUATION CRITERIA

This RFQ is available for prospective Respondents who desire to participate in the RFP for the Project. All SOQs will be reviewed based on the requirements set forth in Section 4 of this RFQ.

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

The Authority hereby notifies prospective Respondents of its right to limit the number of Respondents who will be qualified.

4.2 EVALUATION

Respondents who submit a response to this RFQ will be evaluated on the basis of the following four sets of criteria:

(a) Compliance with requirements of the Act;
(b) Financial Capabilities;
(c) Technical Capabilities; and
(d) Local Content

4.2.1 Compliance with Requirements of the Act

Each SOQ submitted pursuant to this RFQ will be reviewed to determine whether it satisfies the Act’s requirements in the following areas:

(a) Upon the execution of the PPP Contract, the Respondent shall be a Person authorized to do business in Puerto Rico;

(b) The Respondent shall have available such corporate or equity capital or securities or other financial resources that, in the judgment of the Authority and the PPP Committee, are necessary for the proper development and maintenance of the Project;

(c) The Respondent shall have a good reputation and the managerial, organizational, professional and technical capacities, as well as the experience, to develop and administer the Project; and
(d) Each Team Member and each Respondent, if the Respondent has been formed as of the date of a submission of a response to this RFQ, shall certify that neither it nor any of its 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 or the passive economic agent of the Respondent (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. The Respondent is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Respondent that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act (this requirement may be satisfied by completing the Form of Respondent Certification included as Appendix A to this RFQ).

Prospective Respondents and their Team Members are advised that the RFP for this Project will require a certification by the Respondent and each of its Team Members as to past and continuing compliance with the provisions of Act No. 458, Act No. 84 of June 18, 2002, also known as the Code of Ethics for Contractors, Suppliers and prospective Respondents for Economic Incentives of the Executive Agencies of the Commonwealth of Puerto Rico, and Act No. 237 of August 31, 2004. Failure to submit this certification will be grounds for disqualification.

In selecting which projects to submit as examples to demonstrate relevant experience, Respondents should submit projects that demonstrate the Respondent’s ability to deliver a project similar to the Project in scale (for example, comparable to or above estimated Project cost), scope (for example, design/build/finance/maintain/operate with similar services) and complexity (e.g. parking facilities with similar programmatic requirements).

In evaluating SOQs, the Authority may also look at how advanced the Respondent’s named projects were (for example, level of completeness), how recent (for example, completed within the past 8 years), the role that a firm or individual played on the prior project (for example, was the role similar to such party’s proposed role on the Project), the level of operation and maintenance excellence demonstrated in the project, and the overall success of the named project.
4.2.2 Financial Capabilities

The evaluation of financial capabilities will examine each SOQ in accordance with the criteria set out below, including, but not limited to, the extent to which the SOQ satisfies the anticipated financial capability requirements of the PPP Contract with respect to the following:

(a) Financial capability to make the required revenue sharing payments due under the PPP Contract and continue to maintain and upgrade the Parking System;

(b) Ability to raise financing without any contingencies;

(c) Ability and demonstrated experience in providing financing for similar projects within specified financial closing time parameters and ability to provide financing for this Project by Financial Close;

(d) Ability and demonstrated experience in raising taxable financing required for similar projects;

(e) Ability and demonstrated experience in raising tax-exempt financing required for similar projects;

(f) Financial performance and financial strength of the equity/risk capital funding to ensure the performance of any obligations, including, but not limited to, obligations under the PPP Contract;

(g) Any innovative financing transaction structure that will be used to submit a competitive price or add value for money; and

(h) Sources of operating capital.

4.2.3 Technical Capabilities

The evaluation of technical capabilities will examine each SOQ in accordance with the criteria set out below, including, but not limited to, the extent to which the SOQ satisfies the anticipated technical capability requirements of the PPP Contract with respect to the following:

(a) Operation and maintenance

(b) Customer Services

(c) Ability to undertake required improvements (including the installation of new technology);

(d) Other System enhancements;

(e) Safety and security;

(f) Prior successful experience in alternative project delivery arrangements including PPPs, or projects similar to this Project including performance based payment mechanisms and long term partnership arrangements, and
4.2.4 **Partnering with Local Parties**

The Authority encourages Respondents to engage Local Parties as Team Members and Key Individuals (particularly with respect to design, construction and operation & maintenance (O&M), and equity providers) to the greatest extent possible.

 Respondents may provide relevant and credible information to support their response, including, signed copies of the relationship documentation and/or legal agreements(s) (e.g., letters of support, memoranda of understanding, partnership or joint venture agreements, etc.) supporting their response. For greater clarity, the page limits above do not apply to the supporting documentation submitted in response to this section.

4.2.5 **Evaluation Criteria**

In order to provide an objective and transparent evaluation method, the PPP Committee will evaluate SOQs by applying and weighting the criteria as outlined in the table below ("Evaluation Criteria"). Application of the Evaluation Criteria will assist the PPP Committee in identifying the Shortlisted Respondents.

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>% Weight</th>
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<tbody>
<tr>
<td><strong>Compliance with Requirements of the Act and Team Organization (5 pages maximum)</strong></td>
<td>10%</td>
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<tr>
<td>1. Respondent's compliance with requirements of the Act as described in Section 4.2 of this RFQ under the heading “Compliance with Requirements of the Act”.</td>
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<tr>
<td>2. Respondent reputation, managerial, organizational, professional and technical capacities, as well as the experience and capacity to develop and administer the Project (including Respondent's strength, demonstrated experience and financial capacity to design, construct, maintain and operate a parking system within the dimensions of the proposed project and the time frame envisioned);</td>
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When explaining the approach to developing the Project, Respondents are encouraged to provide examples of past approaches or experiences which help communicate the proposed approach to this Project. Provide details on each of the following items:

1. the essential elements of, and the approach of the Respondent to developing, a successful long-term partnership with the Government;

2. approach of the Respondent to ensuring suitable and effective integration of design, construction and O&M Team Members and functions;
### EVALUATION CRITERIA

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<th>EVALUATION CRITERIA</th>
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<td>3. details relating to corporate Controlling interests for each Team Member;</td>
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<td>4. evidence of ability to act as a single, integrated, seamless team, including</td>
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<td>evidence that some or all Team Members have worked together previously in a</td>
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<td>successful manner;</td>
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<td>5. a system of measuring, assessing and maintaining accountability for</td>
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<td>performance applicable to the Project;</td>
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<td>6. approach of the Respondent to interacting and resolving disputes with the</td>
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<td>Government; and</td>
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<td>7. critical success factors for the Project and skills of the Respondent to ensuring</td>
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<td>Project success, including stakeholder relations, community involvement and</td>
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<td>communications strategies.</td>
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Respondents are encouraged to provide enough supporting information and details to enable the evaluators to perform a thorough evaluation of the Team Members’ strengths, roles and responsibilities. Provide details on each of the following items:

1. a description of all Team Members, their respective percentage interests in the Respondent and the anticipated legal relationship (governance and capital structure) among the Team Members (e.g., partners, shareholders, joint ventures, consultants, etc.), as appropriate, and indicate whether the Respondent or any Team Member participates in the World Economic Forum’s Partnering Against Corruption Initiative (PACI);

2. outline the roles of principal Team Members (such as the operator, design-builder, equity investors, and Government) and Key Subcontractors and Key Individuals that are providing products or services to such principal Team Members;

3. operator: identify the entity or entities that will act as operator of the Parking Portfolio under the proposed Project. Provide details on their experiences with off-street garages and lot facilities, specifically noting any transition processes similar to the potential transition that would occur in the event of a transaction;

4. identify the persons, partnerships or legal entities that are expected to act as legal, financial, or other advisors for the Respondent;

5. evidence of a well-organized team (e.g. provide an organization chart which shows clearly defined and articulated decision making bodies, and Team Members’ roles and responsibilities for the key functions);

6. an identified leader for each stage of the Project with clear decision-making authority covering all types of anticipated decisions;
## EVALUATION CRITERIA

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<td>7.</td>
<td>A list and description of comparable or relevant projects in which Team Members have participated. Respondents should specify how these projects relate to the Project. <em>The project list and descriptions may be included in an Appendix if Respondents so desire and will not be counted towards the page maximum, provided that no more than 2 pages shall be allocated to each project.</em></td>
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<td>8.</td>
<td>Approach to risk allocation between the Team Members in the structure identified above at all stages of the Project including stranded risks at the Project Co level (e.g., risks other than those passed down to the design-builder or operator);</td>
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<td>9.</td>
<td>Approach to ensuring suitable and effective risk management of the Project; and</td>
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<td>10.</td>
<td>A list of Team Member references describing the relevant qualifications and capabilities of principal Team Members in the financing, design, construction, maintenance or life cycle of the Project. If possible, these references should come from the procuring government agencies or lead Government on previous projects. <em>This may be included in an Appendix if Respondents so desire and will not be counted towards the page maximum.</em></td>
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Please provide a signed copy of the legal agreement or agreements (letters of support, preliminary consortium/joint venture agreement, MOU, etc.) which confirms the Team Members’ roles and responsibilities and approach to Project risk allocation.

### Financial Capabilities (10 pages maximum)

Respondents should address the following areas with respect to financial capability:

1. **Financial capacity to make required revenue sharing payments and maintain the Parking Portfolio:** Respondents must demonstrate their financial capacity to make the revenue sharing payments and to maintain the Parking Portfolio for the Term of the Project. To demonstrate sufficient financial capacity, Team Members must provide copies of audited financial statements for the past three years, together with any other relevant financial information. If audited financial statements cannot be provided, Team Members should provide enough financial information to demonstrate that they have the financial resources to successfully execute a project of this nature and scope;

2. **Ability to raise financing:** Respondents must provide specific evidence demonstrating their ability to raise financing for a project of this nature and scope if unable to self-finance. Specific factors that will be assessed include
### EVALUATION CRITERIA

| i) capability of raising debt and equity in the current capital market; | % Weight |
| ii) the number and size of past relevant transactions; | |
| iii) specific experiences financing past relevant transactions; and | |
| iv) ability and demonstrated experience in providing financing for similar projects within specified financial closing time parameters and ability to provide financing for this Project by Financial Close. | |

Respondents should also provide the following information:

1. anticipated equity capital funders (e.g., banks, life insurance companies, pension funds, private equity funds, construction companies and facilities management providers) and their anticipated involvement (approximate in percentage terms);

2. anticipated sources of equity capital for each equity capital funder (i.e. specific fund or investing entity), and its current financial position;

3. details as to how the providers of equity capital plan to ensure adequate funding by Financial Close (including anticipated third party support or guarantees);

4. a plan that details how Respondent intends to secure funding for all development costs leading up to Financial Close (including professional fees, financing commitment, process for internal approvals, etc.);

5. detailed process and internal approval procedures/timelines for allocation of funding, and anticipated timeline for committing funding for this Project;

6. an overview of recent financial performance and financial strength relating to the equity/risk capital funders, contractors and service providers (supported by audited financial statements of Team Members for the past three years and updated, where available; fund performance report (if applicable); ratings report if available or such other financial documents to support the financial analysis and demonstrate that the Team Members have the financial resources to successfully execute a project of this nature and scope. Financial statements and similar materials and/or reports may be included in an Appendix if Respondents so desire and will not be counted towards the page maximum.

7. based on Design, Build, Finance, Maintain and Operate (“DBFMO”) or similar PPP projects, Respondents shall explain their preliminary approach to allocating key project risks amongst the Team Members, including the ability of relevant Team Members to secure adequate bonding, letters of credit, guarantees and/or other forms of support required for the successful implementation of the Project; and
### EVALUATION CRITERIA

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<tr>
<td>8. outline Respondent’s approach to ensuring performance during capital improvements and operations to meet the requirements of Project lenders and the Government, including ability to provide the security package for each Team Member as proposed by the Respondent for this Project (e.g. bonding capability, letters of credit, access to surety bonding, financial capacity, etc). Respondents must provide relevant information to support their responses to the points above (including financial statements, letters of support from funding sources, etc.). For greater clarity, at this time, Respondents are not required to provide specific dollar amounts for contemplated equity.</td>
<td>40%</td>
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#### Technical Capabilities (15 pages maximum)

General Technical Capabilities: Respondents must provide evidence of ability to comply with the following general elements:

1. advanced knowledge of parking systems and associated facilities maintenance, repair, life cycle, design, construction, and practical application of equipment and materials in parking facilities operations, as well as a demonstrated understanding in aging behavior of these facilities to assess and determine the necessity for remedial maintenance action.

Respondents should address the following areas with respect to technical capabilities:

1. Operations and maintenance expertise: Respondents must provide evidence demonstrating their ability to operate and maintain a Parking System of this nature and scope. Specifically, the Respondents should have:

   i) substantial urban parking facility maintenance and operation experience for garages and lots;

   ii) advanced knowledge of parking facilities maintenance, repair, construction, and practical application of equipment and materials in parking facility operations;

   iii) demonstrated understanding in parking facility aging behavior to assess and determine the applicability of remedial maintenance action;

   iv) incorporating innovation into a project that led to added value and a sharing of benefits;

   v) track record of managing infrastructure projects by using its own managerial teams (“in-house”) maintenance teams or track record of successfully sub-contracting its maintenance obligations in infrastructure projects to appropriate and competent third parties; and
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<th>EVALUATION CRITERIA</th>
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<tr>
<td>1. vi) all the capabilities necessary to successfully operate and maintain the Parking System including routine maintenance, operations management, parking fee management and operations, administration, marketing and public relations, and parking operations.</td>
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<td>2. Customer service: Respondents must demonstrate their commitment to achieving the highest standards of customer service and satisfaction. Specifically, the Respondents must highlight their experience and qualifications providing excellent customer service to the public. Respondents may at their option include additional information concerning their experience in maintaining productive ongoing relationships with government entities, similar to the relationship that the winning Proposer will have with the Government.</td>
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<td>3. Safety and security: Respondents must demonstrate their ability to address and resolve safety and security issues. Specifically, the Respondents should have:</td>
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<td>i) knowledge of parking and public safety and security techniques and methodologies;</td>
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<td>ii) experience in emergency response support; and</td>
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<td>iii) expertise in relevant parking engineering standards, specifications, policies, practices, and processes.</td>
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<td>4. Capital improvements: Respondents must demonstrate their ability to efficiently undertake required capital improvements to the Parking System during the Term of the Project.</td>
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<td>To the extent not already provided under another area of Evaluation Criteria, the Respondent should provide the following:</td>
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<td>1. three (3) project examples showing the Respondent’s development capability relevant to the nature and scope of the Project; and</td>
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<td>2. detailed resumes (indicating overall experience and any specific experience relevant to the nature and scope of the Project) for no more than three (3) Key Individuals representing the Respondent. If applicable, reference each Key Individual’s role in the submitted projects.</td>
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**Safety Performance**

Respondent shall submit copies of the Occupational Safety and Health Administration (OSHA) 300 forms for the past three (3) years. If not applicable, a prospective Respondent shall present a document explaining the reasons for not submitting the form. *These may be included in an Appendix if the Respondents so desire and will not be counted towards the “Technical Capabilities” page maximum.*
### Local Content (5 pages maximum)

**Partnering with Local Parties**

The Authority encourages Respondents to engage Local Parties as Team Members and Key Individuals (particularly with respect to design, construction, operations and maintenance and equity providers) to the greatest extent possible.

The Shortlisted Respondents may be evaluated during the RFP Process with respect to certain local content requirements in connection with the Project. Particulars of any local content requirements will be provided to the Shortlisted Respondents.

As such, Respondents are strongly encouraged as part of this RFQ to provide detailed descriptions of their current and/or anticipated business arrangements with Local Parties and, in particular, Local Parties who are Team Members and Key Individuals for the Project, as applicable.

Respondents may provide relevant and credible information to support their response, including, signed copies of the relationship documentation and/or legal agreements(s) (e.g., letters of support, memoranda of understanding, partnership or joint venture agreements, etc.) supporting their response. *For greater clarity, the page limits above do not apply to the supporting documentation submitted in response to this section.*

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<th>EVALUATION CRITERIA</th>
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<tbody>
<tr>
<td>Local Content (5 pages maximum)</td>
<td>15%</td>
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<tr>
<td>Partnering with Local Parties</td>
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</table>
SECTION 5
SOQ REQUIREMENTS AND PROCEDURE

5.1 SOQ REQUIREMENTS

5.1.1 Overview of Requirements

CPM PR, LLC is serving as lead advisor (the “Advisor”) to the Authority and the Government in connection with this RFQ and the possible PPP Contract for this Project.

Prospective Respondents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information via e-mail to the PPP Committee Representative’s e-mail address listed below. The SOQ should comply with the format provided under “Format and Required Information for RFQ Submission” below. Additional information not specifically related to the Project or this RFQ should not be included. All questions or requests for information regarding this RFQ should be directed to the PPP Committee Representative via e-mail. Please do not contact any officials or related parties of the Government in any other manner. Such contact may serve as grounds for disqualification.

Address questions, comments, RFCs and RFIs to:

Parking Facilities PPP Committee Representative
Request for Qualifications –
Parking Modernization and Optimization Project
E-mail: RFQ-PARKING@p3.pr.gov

5.1.2 No Liability for Costs

The Government and their advisors are not responsible for costs or damages incurred by Respondents, Team Members, subcontractors, or other interested parties in connection with the solicitation or procurement process, including but not limited to costs associated with preparing responses, qualifications, and proposals, and of participating in any conferences, oral presentations or negotiations, whether in connection with this RFQ and the RFP or otherwise. A Shortlisted Respondent will not be entitled to indemnity (including, but not limited to, reimbursement for costs and expenses) from the Authority if the Authority decides, in its discretion, to terminate the procurement process for this Project.

5.1.3 Modification and Termination Rights

The Government reserve the right to modify or terminate the RFQ and the RFP for this Project at any stage if the Government determine such action to be in the best public interests. The receipt of responses or proposals or other documents at any stage of either the RFQ or the RFP process will in no way obligate the Government to enter into any contract of any kind with any party.
5.1.4 Authorization for Further Investigation

By submitting a response to this RFQ, each Respondent specifically authorizes the Authority, the Sponsor, 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, and to seek clarification from the Respondent’s officers, employees, advisors, accountants and clients regarding the same.

5.2 FORMAT AND REQUIRED INFORMATION FOR RFQ SUBMISSION

5.2.1 Compliance with the RFQ

The SOQ must be prepared in English and follow the format outlined below. Responses should not exceed a total number of 35 pages (without exceeding the individual section limits below), not including the following:

(a) any Respondent Certifications;

(b) any Appendices (as specifically permitted below) or other information specifically exempted from the maximum page limits as stated in the Evaluation Criteria set out in Section 4.2.

Responses should strictly comply with the following format:

- Cover Page (to include identification of all Team Members)
- Cover Letter (2 pages maximum)
- Table of Contents
- An executed Respondent Certification from the Respondent and each Team Member. The form of this must strictly follow the form attached to this RFQ as Appendix A. See Section 1.3 above for more information.
- Executive Summary (2 pages maximum)
- Respondent Information (1 page maximum)

(a) Respondent Representative: Provide a single contact person (“Respondent Representative”) for all future communication between the PPP Committee and the Respondent. Please identify the Respondent Representative’s name, title, organization, work address, email address, and work, cell and fax numbers.

(b) Disclosure of Conflicts: List any dealings with the Government of Puerto Rico, any of its instrumentalities or the Authority (including the employees and elected representatives of each), as well as any suppliers of goods or services to the Government.
• **Compliance with the Requirements of the Act (5 pages maximum)**  *Weight 10%*
  
  Respondents should address all areas referred to in the Evaluation Criteria set out in Section 4.2 of this RFQ under the heading “Compliance with Requirements of the Act”.

• **Financial Capabilities (10 pages maximum)**  *Weight 35%*
  
  Respondents should address all areas referred to in the Evaluation Criteria set out in Section 4.2 of this RFQ, under the heading “Financial Capabilities”.

• **Technical Capabilities (15 pages maximum)**  *Weight 40%*
  
  Respondents should address all areas referred to in the Evaluation Criteria set out in Section 4.2 of this RFQ, with respect to technical capability.

• **Safety Performance**
  
  Respondents shall submit copies of the Occupational Safety and Health Administration (OSHA) 300 forms for the past three (3) years. If not applicable, a Respondent shall present a document explaining the reasons for not submitting the form.

  Respondents must demonstrate:

  (a) their ability to address and resolve safety issues, and

  (b) knowledge of safety strategies and methodologies.

• **Local Content: Partnering with Local Parties (5 pages maximum)**  *Weight 15%*
  
  Respondents should address all areas referred to in the Evaluation Criteria set out in Section 4.2 of this RFQ, under the heading “Local Content: Partnering with Local Parties”.

### 5.3 PRE RFP FINANCIAL SUBMISSION CONFIRMATION

Prior to the issuance of the RFP documents, the Government may, in their discretion, request any Respondent to confirm that there have been no material changes to the information submitted by the Respondent in response to the submission requirements set out in Sections 4 and 5 of this RFQ. If there have been any material changes to the submitted information, the Respondent shall provide details of such changes in accordance with any requirements the Government may impose at that time. The Government shall evaluate the information submitted by the Respondents in accordance with the evaluation criteria set out in Section 4.2 of this RFQ and may revise the Respondent’s score and ranking to reflect the results of the evaluation. If a Respondent’s revised score results in a change in its ranking, the Government may, in their discretion, invite other Respondents based on their ranking in this RFQ process (provided such Respondents have achieved the minimum score required by Section 4.2) to be added to the list of Shortlisted Respondents and replace the Respondent whose score was re-evaluated under this Section 5.3, even if those replacement Respondents were not Shortlisted prospective Respondents in the first instance.
5.4 REPORTING OF MATERIAL ADVERSE CHANGE

At any time prior to the issuance of the RFP documents, a Shortlisted Respondent shall submit immediately to the Government information pursuant to the submission requirements set out in Sections 4 and 5 of this RFQ either (i) upon the occurrence of a material adverse change to the information previously submitted by the Respondent in response to such submission requirements, or (ii) from time to time upon the Government’s request. The Government shall evaluate the information submitted by the Respondent in accordance with the evaluation criteria set out in Section 4.2 above, and may revise the Respondent’s score and ranking to reflect the results of the evaluation. If a Shortlisted Respondent’s revised score results in a change in its ranking, the Government may, in their discretion, invite other Respondents based on their ranking in this RFQ process (provided such Respondents have achieved the minimum score required by Section 4.2(4)) to be added to the list of Shortlisted Respondents and replace the Respondent whose score was re-evaluated under this Section 5.4, even if those replacement Respondents were not Shortlisted Respondents in the first instance.

5.5 RFQ SUBMISSION INSTRUCTIONS AND NEXT STEPS

The Respondent shall submit one (1) originally executed SOQ, with signatures in blue ink, and five (4) copies along with one copy in portable document format (PDF) on a CD. The SOQ containing original signatures shall be marked as “Originals”. The SOQ shall be delivered no later than the Submission Deadline. Respondents should not submit promotional materials as part of their RFQ submissions and are strongly encouraged not to submit information that is not required by this RFQ. Respondents are strongly encouraged to be succinct in their prequalification submissions. If there are page limits set out in Section 4.2, a Respondent shall limit its prequalification submission, or each component of the RFQ submission, to the maximum number of pages indicated in Section 4.2. Respondents are cautioned that, if there are page limits set out in Section 4.2, the Government will not review or score pages submitted in excess of the maximum number of pages indicated for such item. For greater clarity, any page limits set out in the RFQ shall apply to all materials submitted by the Respondent in response to the item that is the subject of a page limit, whether submitted in the text of the prequalification submission or included as an appendix, schedule or other attachment to the RFQ submission.
The SOQ shall be labeled as follows:

Puerto Rico Public-Private Partnerships Authority
Parking Modernization and Optimization PPP Committee Representative
Design, Build, Finance, Maintain and Operate Services SOQ
Submitted by (Respondent's name and Address)

The SOQ shall be delivered to:

Puerto Rico Public-Private Partnerships Authority
cc: Omar J. Marrero, Esq. – Executive Director PPP Authority
Puerto Rico Fiscal Agency and Financial Advisory Authority Building (former GDB Building), 3rd Floor
Roberto Sánchez Vilella Government Center, De Diego Ave
San Juan, PR 00940-2001 USA

5.6 CONFIDENTIALITY OF RFQ SUBMISSION

All SOQs shall become the property of the Authority, except for documents or information submitted by Respondents which are trade secrets, proprietary information or privileged or confidential information of the Respondents. Respondents are advised to review the confidentiality and publication provisions contained in Articles 9(i) and 9(j) of the Act and Section 9.3 of the Regulation. In order to ensure that documents identified by Respondents as “confidential” or “proprietary” will not be subject to disclosure under the Act, Respondents must label such documents as “confidential” or “proprietary,” provide a written explanation of why such labeled documents are “confidential” or “proprietary,” including why the disclosure of the information would be commercially harmful, reference to any legal protection currently enjoyed by such information and why the disclosure of such information would not be necessary for the protection of the public interest, and request that the documents so labeled be treated as confidential by the PPP Committee according to the process described in the following paragraph.

If a Respondent has special concerns about confidential or proprietary information that it desires to make available to the PPP Committee prior to its RFQ submission, such Respondent may wish to:

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

- Make an oral presentation to the PPP Committee staff and legal counsel.

- Receive written notification from the PPP Committee accepting or rejecting confidentiality requests.
Failure to take such precautions prior to filing an RFQ submission may subject confidential or proprietary information to disclosure under Articles 9(i) and 9(j) of the Act and/or Section 9.3 of the Regulation.

The Authority will endeavor to maintain the confidentiality of any information that a Respondent indicates to be proprietary or a trade secret, or that must otherwise be protected from publication according to law, except as required by law or by a court order. The PPP Committee shall determine whether or not the requested materials are exempt from disclosure. In the event that the PPP Committee elects to disclose the requested materials, it will provide the Respondent notice of its intent to disclose, in which case the Respondent may request the immediate return of such materials prior to disclosure by the PPP Committee and they will thereafter form no part of the Respondent’s submission. In no event shall the Authority, the PPP Committee or the Government be liable to a Respondent for the disclosure required by law or a court order of all or a portion of an RFQ submission filed with the Authority.

Upon execution of the PPP Contract, the PPP Committee is required to make public its report regarding the procurement process, which shall contain information related to the qualification, procurement, selection and negotiation process, and the information contained in the RFQ submission, except information that qualifies as trade secrets, proprietary or privileged information of the Respondent or its Team Members clearly identified as such by the Respondent, or information that must otherwise be protected from publication according to law, unless otherwise required by law or by a court order.

5.7 USE OF CONFIDENTIAL INFORMATION

Each Respondent must declare and continue to be under an obligation to declare that it does not have knowledge of or the ability to avail itself of Confidential Information of the Government or the Authority relevant to the Project where the Government or the Authority have not specifically authorized such use.

Confidential Information,

(a) shall remain the sole property of the Government or the Authority, as applicable, and the Respondent shall treat it as confidential;

(b) may not be used by the Respondent for any other purpose other than submitting an SOQ, RFP submission or the performance of any subsequent agreement relating to the Project with the Government or the Authority, as applicable;

(c) may not be disclosed by the Respondent to any person who is not involved in the Respondent’s preparation of its SOQ, RFP submission or the performance of any subsequent agreement relating to the Project with the Government or the Government, as applicable, without prior written authorization from the party in respect of whom the Confidential Information relates;

(d) if requested by the Government or the Authority, will be returned to same no later than ten calendar days after such request; and

(e) may not be used in any way that is detrimental to the Government or the Authority.
Each Respondent shall be responsible for any breach of the provisions of this Section 5.7 by any Person to whom it discloses the Confidential Information. Each Respondent acknowledges and agrees that a breach of the provisions of this Section 5.7 would cause the Authority, the Government and/or their related entities to suffer loss which could not be adequately compensated by damages, and that the Authority, the Government and/or any related entity may, in addition to any other remedy or relief, enforce any of the provisions of this Section 5.7 upon submission of the Respondent’s SOQ to a court of competent jurisdiction for injunctive relief without proof of actual damage to the Authority, the Government or any related entity.

The provisions in this Section 5.7 shall survive any cancellation of this RFQ or the RFP and the conclusion of the RFQ and RFP processes.

5.8 CONFLICT OF INTEREST AND INELIGIBLE PERSONS

Each Respondent Representative, on behalf of the Team Members identified as meeting the experience requirements of Section 4 of this RFQ, must declare and continue to be under an obligation to declare all Conflicts of Interest or any situation that may be reasonably perceived as a Conflict of Interest that exists now or may exist in the future. In this Section 5.8, “Conflict of Interest” includes any situation or circumstance where in relation to the Project, the Respondent and the Team Members identified as meeting the experience requirements contemplated in Section 4 of this RFQ have other commitments, relationships or financial interests that,

(a) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of the Government’s independent judgment; or

(b) could or could be seen to compromise, impair or be incompatible with the effective performance of its obligations under the PPP Contract.

In connection with its SOQ, each Respondent shall,

(a) avoid any Conflict of Interest in relation to the Project;

(b) disclose to the Government without delay any actual or potential Conflict of Interest that arises during the RFQ process; and

(c) comply with any requirements prescribed by the Government to resolve any Conflict of Interest.

In addition to all contractual or other rights or rights available at law or in equity or legislation, the Government may immediately exclude a Respondent from further consideration or remove the Respondent from the RFQ process if,

(a) the Respondent fails to disclose an actual or potential Conflict of Interest;

(b) the Respondent or a Team Member identified as meeting the experience requirements of Sections 4 or 5 of this RFQ fails to comply with any requirements prescribed by the Government to resolve a Conflict of Interest; or

(c) the Respondent’s Conflict of Interest issue cannot be resolved.
5.9 RFQ MISCELLANEOUS INSTRUCTIONS

5.9.1 Addenda to RFQ

The Authority reserves the right to amend this RFQ at any time. Any amendments to this RFQ shall be described in written Addenda. Copies of each Addendum shall be available at the Authority’s website: http://www.p3.pr.gov/. Respondents are encouraged to review the Authority’s web page regularly. All Addenda will become part of this RFQ. In the event of any conflict in the wording or any issue of interpretation, Addenda, when issued, will take priority over the original wording in the RFQ and any wording in prior Addenda. Each Respondent shall, in its SOQ, acknowledge receipt of each Addendum. Each Respondent is solely responsible to ensure that it has received all communications issued by the Government. A failure to obtain any such communication is at the sole and absolute risk of the Respondent and the Authority accepts no responsibility for any Respondent that does not receive or obtain all RFQ information (including Addenda). Each response to this RFQ is deemed to be made on the basis of the complete RFQ issued prior to the Submission Deadline.

5.9.2 Withdrawal of SOQs

A Respondent may withdraw an SOQ by delivering to the Authority, prior to the Submission Deadline, at the address for delivery of SOQs set forth in Section 5.5, a written request for withdrawal of an SOQ. Any such withdrawal does not prejudice the right of a Respondent to submit another SOQ by the Submission Deadline.

5.9.3 Protest; Request for Reconsideration

Review regarding the selection and award process for qualifications must be pursued in accordance with Section 20 - Judicial Review Procedures of the Act.

5.10 DISCLAIMER

The information provided in this RFQ, or any other written or oral information provided by the Authority, the Government, the PPP Committee, CPM or their respective officers, employees, advisors or consultants in connection with the Project or the selection process is provided for the convenience of the Respondents only. Respondents shall make their own conclusions as to such information. Oral explanations or instructions from officials, employees, advisors or consultants of the Authority, the Government, the PPP Committee, CPM or any Puerto Rico public agency shall not be considered binding on the Authority, the Government, the PPP Committee or CPM. The Authority, the Government, the PPP Committee, CPM and their respective officers, employees, advisors and consultants make no representation as to such information, the accuracy and completeness of such information is not warranted by any of them and none of them shall have any liability in connection with such information or the selection process, all of which liability is expressly waived by the Respondents. This RFQ is not an offer to enter into any contract of any kind whatsoever.

5.11 RESERVATION OF RIGHTS

In connection with the proposed Project, the Authority and the Government reserve all rights (which rights shall be exercisable by the Authority and the Government in their absolute discretion) available to them under applicable laws and regulations, including, without limitation, with or without cause and with or without notice, the right to:
(a) modify the procurement process to address applicable law and/or the best interests of the Authority, the FAFAA and the Government.

(b) develop the Project in any manner that they deem necessary and change the limits, scope and details of the Project.

(c) if the Authority and the Government are unable to negotiate a PPP Contract to their satisfaction with a Respondent, they may negotiate with the next highest ranked Respondent, terminate the process and pursue other alternatives relating to the Project or exercise such other rights as they deem appropriate.

(d) cancel the procurement process, as applicable, in whole or in part, at any time prior to the execution by the Government of an agreement, without incurring any cost, obligations or liabilities whatsoever.

(e) issue a new RFQ after withdrawal of this RFQ.

(f) reject or disqualify any and all RFQ submissions and responses received at any time for any reason without any obligation, compensation or reimbursement to any Respondent or prospective Respondent or Team Member.

(g) modify all dates, deadlines, process, schedule and other requirements set out, described or projected in this RFQ.

(h) terminate evaluations of responses received at any time.

(i) exclude any Respondent from submitting any response to the RFQ or bid, as the case may be, based on failure to comply with any requirements.

(j) issue addenda, supplements and modifications to this RFQ.

(k) require confirmation of information furnished by a Respondent, require additional information from a Respondent concerning its response and require additional evidence of qualifications to perform the work described in this RFQ.

(l) consider, in the evaluation of any RFQ submission, any instances of poor performance by a Respondent, Team Member or key individual that any of the Authority, the FAFAA or the Government may have experienced.

(m) seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFQ.
(n) add or delete Respondent responsibilities from the information contained in this RFQ or any subsequent process instruments.

(o) negotiate with any party without being bound by any provision in its response.

(p) waive any deficiency, defect, irregularity, non-conformity or non-compliance in a response to the RFQ or permit clarifications or supplements to a response to the RFQ, and accept such response even if such deficiency, defect, irregularity, non-conformity or non-compliance would otherwise render the response null and void or inadmissible.

(q) add or eliminate facility expansion to or from the Project.

(r) incorporate the RFQ or any Respondent’s response to the RFQ as part of any formal agreement with a Shortlisted Respondent.

(s) not issue a notice to proceed after execution of any contract.

(t) exercise any other right reserved or afforded to the Authority and the Government under the Act, the Regulation, this RFQ or applicable law.

This RFQ does not commit the Government to enter into a contract or proceed with the Project as described herein. The Authority, the FAFAA, and the Government assume no obligations, responsibilities, or liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFQ, or in considering or making any submission. All of such costs shall be borne solely by each Respondent.

In no event shall the Authority or the Government be bound by, or liable for, any obligations with respect to the PPP Contract until such time (if at all) as a contract, in form and substance satisfactory to the Authority and the Governor, has been executed and authorized by the Government and, then, only to the extent set forth therein.

5.12 LIMITATION OF DAMAGES

Each Respondent, by submitting a response to this RFQ, agrees that in no event will the Authority, the FAFAA, the PPP Committee, the Government, or any of their respective employees, advisors or representatives, be liable, under any circumstances, for any Claim, or to reimburse or compensate the Respondent in any manner whatsoever, including but not limited to costs of preparation of the response, loss of anticipated profits, loss of opportunity, or for any other matter. Without in any way limiting the above, each Respondent specifically agrees that it will have absolutely no Claim against the Authority, the FAFAA, the PPP Committee or the Government or any of their respective employees, advisors or representatives if any such party for any reason whatsoever:

(a) does not select a shortlist of prequalified Respondents;

(b) suspends, cancels, or in any way modifies the Project or the solicitation process (including modification of the scope of the Project or modification of the RFQ or both);
(c) accepts any compliant or non-compliant response or selects a shortlist of one or more prequalified Respondent(s); or

(d) under the terms of the RFQ permits or does not permit a Restricted Party to advise, assist, or participate as part of a Respondent team,

or for any breach or fundamental breach of contract or legal duty of the Authority, the FAFFA, the PPP Committee or the Government, whether express or implied, and each Respondent waives any and all Claims whatsoever, including Claims for loss of profits or loss of opportunity, if the Respondent is not shortlisted in the solicitation process for any other reason whatsoever.

For purposes of this Section 5.12, “Claim” means any claim, demand, liability, damage, loss, suit, action, or cause of action, whether arising in contract, tort or otherwise, and all costs and expenses relating thereto.
APPENDIX A: FORM OF RESPONDENT CERTIFICATION

[Letterhead of each Respondent and Respondent Team Member]

Parking Modernization and Optimization PPP Committee Representative
Request for Qualifications –
DBFMO of the Parking Modernization and Optimization Project

Dear PPP Committee Representative,

We have carefully reviewed the Request for Qualifications dated [    ] 2017 ("RFQ") issued by the Puerto Rico Public-Private Partnerships Authority and any other documents accompanying or made a part of the RFQ. Capitalized terms used in this certificate have the meanings given to them in the RFQ.

We acknowledge and agree to comply with all terms and conditions of the RFQ, the attached Statement of Qualifications and all enclosures thereto. Without limitation, we specifically acknowledge the disclaimer contained in Section 5.10 and the limitation of damages contained in Section 5.12 of the RFQ.

We certify that the information contained in the attached Statement of Qualifications is truthful. We further certify that the individual who has signed and delivered this certification is duly authorized to submit the attached Statement of Qualifications on behalf of the Respondent as its acts and deed and that the Respondent is ready, willing and able to perform if awarded the PPP Contract.

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 Respondent (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. The Respondent is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Respondent that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act.

We further certify that we comply and shall continue to comply at all times with laws which prohibit corruption or regulate crimes against public functions or funds, as may apply to the Respondent, whether Federal, state or Commonwealth of Puerto Rico statutes, including the Foreign Corrupt Practices Act.

We further certify that no officer or employee of the Authority, the Government, the PPP Committee or any other public agency of Puerto Rico who participates in the selection process described in, or negotiations in connection with, the RFQ (nor any member of their families) has an economic interest in or is connected with the Respondent, and no officer or employees of the Authority, the Government, the PPP Committee or any other public agency of Puerto Rico (nor any member of their families) has directly or indirectly participated with the Respondent in the preparation of its RFQ submission.

We further certify that we are in compliance with the provisions of Act No. 84 approved by the Legislative Assembly of the Commonwealth of Puerto Rico on 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, a copy of which is available at the Authority’s website: http://www.p3.pr.gov.

We further certify that we are in compliance with the provisions of the Authority’s Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts, a copy of which is available at the Authority’s website: http://www.p3.pr.gov.

We further certify that this proposal is made without prior understanding, agreement, connection, discussion or collusion with any other person, firm or corporation submitting a separate Statement of Qualifications or any officer, employee or agent of the Authority, the Government or the PPP Committee; and that the undersigned executed this Respondent’s Certification with full knowledge and understanding of the matters herein contained and was duly authorized to do so.
The attached Statement of Qualifications shall be governed by and construed in all respects according to the laws of Puerto Rico and the terms of the RFQ.

Our business address is:

[Insert business address]

Yours faithfully,

[Insert appropriate signature block for signature by a person duly authorized to bind the Respondent or Team Member]
APPENDIX B: ACKNOWLEDGEMENT FOR RECEIPT

[Letterhead of each Respondent and Respondent Team Member]

Parking Modernization and Optimization PPP Committee
Puerto Rico Public-Private Partnerships Authority
cc: Omar J. Marrero, Esq. - Executive Director PPP Authority
Puerto Rico Fiscal Agency and Financial Advisory Authority Building, 3rd Floor
Roberto Sánchez Vilella Government Center, De Diego Ave
San Juan, PR 00940-2001 USA

Dear PPP Committee,

I, [Name of Respondent Representative] in my capacity as [Title] of [Name of the Respondent], acknowledge that our Company was able to access the Puerto Rico Public-Private Partnership Authority (the Authority) web site and downloaded the following documents regarding the Request for Qualifications for the Design, Build, Finance, Maintain and Operate for the Parking Modernization and Optimization Project, issued on [Date] by the Authority.

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Signature

Date