

Request for
Qualifications
To acquire a concession
to finance, operate, maintain,
and improve the Luis Muñoz
Marín International Airport

JULY 2011

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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

1. Overview of RFQ and Concession Process

1.1 INTRODUCTION

The Puerto Rico Ports Authority (the “**PRPA**”) is interested in entering into a 40 – 50 year concession agreement (the “**PPP Contract**”) relating to the main airport on the island of Puerto Rico – the Luis Muñoz Marín International Airport (“**LMM**” or the “**Airport**”).

The Puerto Rico Public-Private Partnerships Authority (the “**Authority**”) wishes to conduct a tender whereby the PRPA will ultimately enter into a PPP Contract relating to the Airport, under which a private entity (the “**Contractor**”) will be required to finance, operate, maintain and improve the Airport (the “**Project**”).

The Authority and the PRPA (collectively, the “**Sponsors**”) are seeking to achieve their primary objectives of 1) maximizing the upfront value for the Airport, which will allow the PRPA to invest in improvements in Puerto Rico and enhance its bonding capacity and credit worthiness, 2) improving the Airport’s safety standards, service levels and quality, 3) maintain and improve the quality of service to travelers and achieve a higher level of customer satisfaction, and 4) create a world-class gateway to Puerto Rico and increase the Island’s profile as a destination in the Caribbean, in order to positively impact the development of the tourism industry and overall economic prospects in Puerto Rico.



Prospective Proponents are encouraged to review the following documents, which are available for download on the Authority’s website at <http://www.p3.gov.pr>:

- i. the Project’s Desirability and Convenience Study, which discusses the (a) improvement and expansion requirements of the Airport, (b) options to meet these improvement and expansion requirements, (c) differences between various alternatives to meet these improvement and expansion requirements, and (d) feasibility of meeting these requirements via a Public-Private Partnership (“**PPP**”); and
- ii. the Commonwealth of Puerto Rico’s (the “**Commonwealth**”) Financial Information and Operating Data Report, dated April 30, 2011, which presents detailed information regarding the Commonwealth’s economy and the government’s finances.

1.2 BACKGROUND TO PUERTO RICO’S PPP PROGRAM

The Public-Private Partnership Act (the “**Act**”) was approved on June 8, 2009. The Act states that the public policy of the Government of Puerto Rico is to favor and promote the establishment of **PPPs** for the creation of certain “Priority Projects,” 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 the Island’s socio-economic development and competitiveness.

The Act provides that the new public policy 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 Act created the Authority as a public corporation of the Commonwealth, affiliated with the Government Development Bank for Puerto Rico (“GDB”). The Authority is designated as the sole government entity authorized and responsible for implementing the public policy on PPPs and for determining the functions, services or facilities for which PPPs are to be established.

For each proposed PPP, the Authority must create a PPP Committee. The PPP Committee is responsible for the qualification, evaluation and selection processes of each proposed PPP, for establishing the terms and conditions of the PPP Contract and reporting on the procedures followed.

On June 20, 2011, Governor Luis G. Fortuño announced that Puerto Rico will receive \$1.4 billion for the tolls roads PPP, the largest such investment in any U.S. jurisdiction so far this year.

A key issue to note for prospective Proponents is that the PPP Committee has been vested with the authority to negotiate the terms of the PPP Contract, and the Authority and, in this case, the PRPA, have been vested with the authority to approve the PPP Contract agreed to with a Proponent, subject to final approval by the Governor of Puerto Rico.

1.3 LEGISLATIVE FRAMEWORK

FEDERAL APPROVALS

The proposed Project must be approved by the Federal Aviation Administration (“FAA”) under what is known as the “Pilot Program”. The Pilot Program was authorized by Title 49 USC 47134 (enacted pursuant to Section 149 of the Federal Aviation Administration Authorization Act of 1996 and amended by Section 155 of the Vision 100 Century of Aviation Reauthorization Act of 2003).

Under the Pilot Program, the FAA may approve the concession of up to five “public use” airports in the United States. Only three of these airports may be “medium hub airports,” such as the Airport (defined as an airport having between 0.25% and 1% of U.S. revenue passenger boardings annually, whether or not in scheduled service). PRPA filed a preliminary application under the Pilot Program and this application was accepted for review by the FAA on December 22, 2009. As a result, under the provisions of the Pilot Program, only two other “medium hub airports” may have an application considered for review by the FAA. The Pilot Program permits the Contractor to become the airport sponsor eligible to assess a Passenger Facility Charge and receive entitlement and discretionary grants under the Airport Improvement Program. (The applicable matching share for future discretionary grants is 70% for airports under the Pilot Program, as opposed to 75% for other major hub airports).

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

- The Airport will continue to be available for public use without unjust discrimination;

- The operation of the Airport will not be interrupted if the Contractor experiences bankruptcy or other financial difficulty;
- The Contractor will maintain, improve, and modernize LMM facilities through capital investment, and will submit a plan for these actions;
- Airport fees imposed on air carriers will not increase faster than inflation unless a higher amount is approved by at least 65 percent of the air carriers using the Airport and the air carriers having at least 65 percent of the landed weight of aircraft at LMM;
- The percentage of increase in fees imposed on general aviation operators will not exceed the percentage increase in fees imposed on air carriers;
- Safety and security will be maintained at the highest possible levels;
- Adverse effects of noise from operations at LMM will be mitigated to the same extent as at a public airport;
- Adverse effects on the environment from LMM operations will be mitigated to the same extent as at a public airport; and
- Any collective bargaining agreement that covers LMM employees and is in effect on the date of the concession of the Airport will not be abrogated by the concession.

In addition to these requirements, in order for the Authority and the PRPA to participate in the Pilot Program, the FAA Administrator must find that the transfer of the Airport to the successful Proponent will not result in unfair and deceptive trade practices or unfair methods of competition, and that the interests of general aviation users are not adversely affected.

As part of its application to the FAA for approval of the proposed Project, the Authority and PRPA will request that the FAA grant exemptions from otherwise applicable regulatory requirements, including the prohibition on use of Airport revenues for non-Airport purposes by the PRPA and the Contractor; and the requirement to repay Federal grant funds (the “**Exemptions**”).

In accordance with the Pilot Program, FAA approval of the Exemptions is conditioned upon approval of 65 percent of the scheduled air carriers serving LMM, determined both on the basis of landed weight and by number of carriers. The Authority has entered into a Memorandum of Understanding (the “**MOU**”) in connection with the proposed transaction with airlines representing over 80 percent of the landed weight at the Airport. The MOU sets forth the proposed rates and charges methodology and certain other terms and conditions of a new use agreement to be effective upon consummation of the transaction. Under the MOU, the airlines have agreed to cooperate with the Sponsors in the procurement process, including the actions required to obtain FAA approval. The MOU is not a binding agreement and action by the airlines to enter into a binding agreement remains subject to the negotiation of definitive documentation and other factors. The Authority expects to enter into legally binding documentation with the airlines prior to the commencement of final bids for the PPP Contract.

The PRPA expects to file a final application with the FAA upon its selection of the Contractor. Upon receipt of the final application, the FAA will publish notice and accept public comment for a period of at least 60 days. Approval by the FAA of the final application and the proposed transaction may not occur until the conclusion of this public comment period. As part of its review and in order to approve the final application, the FAA will require that the Contractor satisfy applicable operating, safety and security requirements.

1.4 FUNCTION OF THIS RFQ

This document is a Request for Qualifications (“**RFQ**”) issued under Section 4.4 of the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Public-Private Partnership Contracts under Act No. 29 of June 8, 2009 (the “**Regulation**”). Prospective Proponents are encouraged to review the Regulation, which is available for download on the Authority’s website: <http://www.p3.gov.pr>.

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

- i. the Project meets the requirements of Article 3 of the Act; and
- ii. 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**”) for the Project, to identify the prospective Proponents that meet the legal requirements imposed by the Act (as discussed in Section 4 of this RFQ) and the PPP Committee’s standard of the minimum required:

- i. financial condition; and
- ii. technical or professional ability and experience.

These standards are discussed in Section 4 of this RFQ.

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

- i. may be treated as ineligible to submit a proposal on one or more grounds specified in Section 6 of the Regulation;
- ii. fails to satisfy the standards established by the PPP Committee with respect to the prospective Proponent’s required financial condition, or technical or professional ability and experience (as discussed in Section 4 of this RFQ); or
- iii. fails to comply with the requirements of Articles 9(a) (Applicable Requirements and Conditions for those who wish to be considered as Proponents) and 9(d) (Consortia) of the Act, as applicable.

In accordance with Section 4.4 of the Regulation, the PPP Committee reserves the right to qualify, at its absolute discretion, a limited number of the prospective Proponents it considers to be the best qualified in order to arrive at a shortlist of prospective Proponents to allow for an orderly procurement.

1.5 OVERVIEW OF THE CONTENTS OF THIS RFQ

This RFQ requires prospective Proponents to formally express their interest in submitting a proposal to enter into a PPP Contract for the Project. Sections 2 and 3 of this RFQ provide an introductory description of the Airport and include highlights of the proposed Project. Section 4 discusses the required qualifications of prospective Proponents. Section 5 lists the RFQ submission requirements and procedures.

1.6 PROCESS

After the PPP Committee’s review of RFQ submissions, it will make public the list of shortlisted Proponents (but reserves all rights to manage the procurement process as deemed advisable in its own discretion pursuant to Section 5.5 of this RFQ). Shortlisted Proponents will need to sign a Confidentiality and Process Agreement, a form of which will be provided upon the announcement of shortlisted Proponents.

Once a shortlisted Proponent has executed the Confidentiality and Process Agreement, it will have the opportunity to conduct a thorough due diligence of the Airport through:

- i. The RFP for the Project, which will include a Confidential Information Memorandum and a detailed and fully-considered draft of a PPP Contract. The PPP Contract will contain, among other matters:
 - a. All of the rights and obligations of the concessionaire during the term of the PPP Contract;
 - b. Detailed and comprehensive Operating Standards;
 - c. The proposed Use Agreement which the Contractor will assume upon the effectiveness of the PPP Contract, which will spell out the terms on which airline rates and charges will be set at the Airport;
 - d. A complete list of required/retained capital expenditure and required/retained existing contracts.
- ii. Access to a data room – this data room will appear online and provide highly detailed information on the Airport, including:
 - a. Detailed revenue and commercial activity at the Airport;
 - b. Third-party diligence reports;
 - c. Operational detail surrounding aeronautical activities, employees, and other ancillary operations; and
 - d. Capital Improvement Program – historical and projected requirements.
- iii. Proponent meetings;
- iv. A review and discussion of the proposed PPP Contract and related documents.

Following this process, final binding proposals and bids will be requested in accordance with procedures to be provided to the qualified Proponents as part of an RFP process. A more detailed description of the negotiation and bidding process for qualified Proponents, together with a more detailed timetable, will be provided to those Proponents as part of the RFP process. The intention of the PPP Committee is to have a winning bidder selected by December 31, 2011.

The PPP Committee reserves the right to reject any and all bids, to waive technical defects, irregularities or any informality in bids, and to accept or reject any bid at its discretion. The PPP Committee also reserves the right to postpone the date on which bids are required to be submitted, or to take any other action it may deem in the best interest of the PPP procurement process.

1.7 CONSORTIA

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

ADDITIONAL RULES WITH RESPECT TO CONSORTIA

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

- “Proponent” means a(n) (i) individual, (ii) company, (iii) joint venture, or (iv) consortium of individuals and/or companies formed or to be formed (whether formally or informally) to undertake the Project and enter into the PPP Contract; and
- “Member” means a member of a Proponent. For the purpose of this Project, Members shall include each of the following with respect to a Proponent:
 - Each person 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 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; and
 - Each Key Subcontractor.
- “Key Subcontractor” means each person or legal entity which will be principally responsible for undertaking the operations, maintenance and improvement work on the Airport.

Please note the following with respect to Proponents:

- Persons or legal entities are encouraged to join or participate with, directly or indirectly, as a Member in no more than one Proponent. Each person or legal entity who participates as a Member is encouraged to ensure that each other person or legal entity which is related to it does not join or participate with, directly or indirectly, as a Member in any other Proponent.

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.

A person or legal entity exercises “Control” of another if it has the capacity to determine the outcome of decisions about the other’s financial and operating policies (whether formally or informally).

- The response of a prospective Proponent to this RFQ in no way limits that prospective Proponent’s ability to add to, substitute, or subtract from, its Members later during the procurement process, subject to the matters listed below, provided written notice is given to the PPP Committee and, in the case of any deletion or substitution of a Member who is identified in the prospective Proponent’s response to this RFQ, provided the prior written consent of the PPP Committee is first obtained, which consent may be withheld or delayed in its absolute discretion.

Without limiting any other right it may have, the PPP Committee reserves the right to disqualify a Proponent from the procurement if, in the PPP Committee’s sole opinion, a change to a Proponent would render the Proponent materially different to the Proponent that was originally shortlisted.

- Prospective Proponents and Members who are not shortlisted will have the ability to join Proponents who were shortlisted, provided the procedure in the paragraph below is followed;
- Members of Proponents who are shortlisted may not join, or participate with, directly or indirectly, another shortlisted Proponent without the prior written consent of the PPP Committee, which consent it may withhold or delay in its absolute discretion.

- The Authority is entitled to condition the selection of certain Proponents to having such Proponents join other shortlisted Proponents when, based on the qualifications of individual Members, the Authority determines that:
 - such action better serves the public interest; or
 - the evaluation criteria set forth in section 9(c) of the Act are better met if such action is taken.

1.8 RESTRICTED PARTIES

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

- Credit Suisse Securities (USA) LLC
- Pietrantonio Mendez & Alvarez LLP
- Mayer Brown LLP
- Leigh Fisher
- Scherrer Hernandez & Co.
- URS Corporation / URS Caribe, LLP.

Moreover, Proponents 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 Proponents should review the Ethics Guidelines, which are available for download on the Authority's website: <http://www.p3.gov.pr>.

Finally, prospective Proponents should be aware that the list of Restricted Parties is not exhaustive and that a party 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. Also, the fact that a party provides or has provided services to any Sponsor does not automatically prohibit such party from participating in the Project. Each prospective Proponent is responsible for ensuring that all parties 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 prospective Proponent should consult with the Authority.

1.9 DEADLINE

Those interested in participating in the RFP process for the Project must respond to this RFQ no later than Monday, August 8th, 2011 at 5:00 pm (AST).

CLARIFICATIONS

Note that a prospective Proponent may request from the PPP Committee clarification, explanation or interpretation ("**RFC**") of any matter contained in this RFQ up to twenty (20) days prior to the due date for the RFQ – that is, no later than Monday, July 18th, 2011. Any such RFC from prospective Proponents 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 prospective Proponents

to which this RFQ was sent no later than Friday, July 29th, 2011 (as required by the Regulation).

2. Airport Description

2.1 PUERTO RICO

Puerto Rico, a self-governing Commonwealth of the United States, is one of the most dynamic economies in the Caribbean region. 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 to take advantage of its favorable investment environment and tax advantages.

Puerto Rico carries an investment rating on its municipal bonds of A3 (negative) from Moody's, BBB+ (stable) from Fitch Ratings and BBB (stable) from Standard & Poor's and benefits from a bilingual (Spanish and English) population. The economy includes a sophisticated financial system, acts as a global center for pharmaceutical manufacturing and contains strong consumer, retail and service sectors, as well. It is worth noting Puerto Rico's close relationship to the U.S. federal government, where despite its Commonwealth status, it is treated similarly to other states. Some examples of note include:

- Puerto Rico was awarded approximately \$6.5 billion in stimulus funds under the American Recovery and Reinvestment Act ("**ARRA**"). As of March 2011, Puerto Rico had disbursed \$4.795 billion of these funds.
- Generally, all United States federal laws apply in Puerto Rico and it is subject to the jurisdiction of the U.S. regulatory authorities.
- As a U.S. Commonwealth, the U.S. Federal Deposit Insurance Corporation ("**FDIC**") insures banks operating in the Puerto Rico, which are subject to all federal controls applied to U.S.-based banks. The U.S. Securities and Exchange Commission ("**SEC**") regulates all publicly traded companies.

Key Puerto Rico Facts

Population	3.73 million
Land Area	8,959 sq. km
Currency	US Dollar
Language	Spanish, English

2.2 OVERVIEW AND HISTORY OF LUIS MUÑOZ MARIN INTERNATIONAL AIRPORT

Note: The PRPA uses fiscal years. Any reference to a fiscal year in Section 2 of this RFQ is a reference to a year beginning on July 1st and ending on June 30th of the year noted.

THE AIRPORT

LMM is owned and managed by the PRPA. According to the FAA, LMM is classified as a medium hub facility, ranked 41st nationwide based on percentage of enplaned passengers.

HISTORY

In 1950, Puerto Rico's population had increased to 2,210,703, up 18.3% from 1940. Given this development, the heavy transit of passengers en route to the United States by airplane, the promising future of Puerto Rico tourism and the economic progress resulting from the work of the Puerto Rico Industrial Development Company, the PRPA commissioned a study in 1951 that favored the construction of a new airport.

The PRPA hired Knappen-Tippet-Abbett-McCarthy of New York to design the new airport. The design was based on an estimate of passenger movement of 508,000 passengers in 1955 and 665,000 in 1960. Construction workers began leveling a 1,200-acre plot of land near the Isla Verde beach in the Municipality of Carolina, which, up to that point, had been a mangrove and coconut field. In August 1952, the principal concrete runway (7,800 feet long) was finished, as well as the auxiliary runways.

Simultaneously, other facilities, such as the main six story building with a control tower, were built. The passenger terminal was made up of a series of three separate buildings connected to one another. The terminal included 10 gates for passenger airplanes, 4 for cargo aircrafts, and space for non-commercial aircraft. The Airport also had a 30-room hotel for airline crew members and passengers in transit, parking for 1,175 automobiles, fire and police stations, and a variety of restaurant and retail locations.

The development of the Airport reached a cost of approximately \$15 million. The Puerto Rico International Airport, as it was called, was inaugurated on May 20, 1955 and equipped with modern landing and take off control equipment. This opened the road for tourism development in Puerto Rico.

In 1985, Bird Construction was engaged to continue the development of the Airport. The engagement was pursuant to an agreement between the PRPA and American Airlines for the rehabilitation and expansion of the old gates and terminal space. Upon completion, American Airlines would occupy most of the renovated wing of the Airport. Also, late in the 1980s there was the inauguration of Concourse B, which became known as the Eastern Terminal.

During the 1990s, large construction works were undertaken to comply with stricter FAA codes and regulations. The PRPA also completed the connecting taxiways number 8 and 10. This allowed for two airplanes to cross over a bridge at the same time while automobiles pass underneath entering the Airport. With the increase in traffic over the years and the height of new terminal buildings, the Airport also built a new control tower, which still today is one of the tallest structures in the Island. American Airlines also made significant investments at the Airport during the 1990s with the construction of the Federal Inspection Services ("**FIS**") space and Concourse D, for which American Airlines issued \$191 million of special facility tax-exempt bonds.

PHYSICAL DESCRIPTION



Area — Luis Muñoz Marín International Airport covers approximately 1,600 acres of land.

Location — LMM is approximately 6 miles east of downtown San Juan in the Municipality of Carolina, with excellent transportation access. The Airport serves the capital of San Juan and is the primary gateway to international destinations and the continental U.S. The Airport offers rapid access to San Juan through the Teodoro Moscoso Bridge and the Baldorioty De Castro Avenue. Located within a 5 minute drive of the Airport is the luxurious Carolina beach-front strip that features the Ritz-Carlton, Intercontinental and El San Juan Hotel & Casino (Waldorf Astoria Collection), among others.

A map of the San Juan area is below:



Source: Google maps

Buildings — LMM's new concourse A will increase total gates from 36 to 43. Including concourse A, total terminal area is 2,838,224 square feet. The Airport is equipped with a FIS facility to service international flights as well as a hotel & casino, parking structures and a variety of auxiliary cargo and hangar facilities. At the north-east end of the Airport, the Puerto Rico Air National Guard utilizes a 126-acre space for its air fleet needs.



Airfield — The Airport has two runways of 10,000 ft. and 8,016 ft. The primary runway (8/26) runs parallel to the Atlantic and was rebuilt in 1974. The secondary runway (10/28) runs parallel to PR Highway Route 26 and was re-opened in February 2008 after being fully resurfaced. The runways do not run parallel to each other. Runways have instrument landing and VASI visual guide slope approach indicator systems.

Concessions — Current concessions offered include a selection of familiar national brands and local restaurants / retail outlets offering unique options representing Puerto Rico's rich cultural diversity. Travelers have a range of selections, including Domino's Pizza, McDonald's, Starbucks, Subway and Wendy's, among others. In addition, Dufry Duty Free operates a number of duty free retail outlets in the concourses. Passengers flying on domestic flights to the U.S. mainland from San Juan are eligible for duty free purchases.

Parking — LMM's automobile parking structure has approximately 4,750 spaces. The building is easily accessible from concourses B, C and D using pedestrian bridges.

Fixed Base Operators ("FBOs") — Eight (8) primary FBOs operate at LMM: Jet Center Inc, M & N Aviation Inc., Roblex Aviation, Rome International Inc., Airport Aviation Services, Four Star Aviation Inc., GMD Airlines Services Inc. and Gran Airport Services.

OTHER PUERTO RICO AIRPORTS

There are six other public-service commercial airports in Puerto Rico, all of which are currently operated by the PRPA:

Rafael Hernández International Airport is located in Aguadilla and is the secondary international airport on the Island. It sits on 1,600 acres of land with one runway and 2 commercial gates. The airport serves western Puerto Rico and is served primarily by JetBlue and Spirit. In 2009, the airport inaugurated a new U.S. Customs facility. In FY2010, the airport had 250,052 enplanements. Rafael Hernández International Airport is 86 miles from San Juan or approximately 2 hours by car.

Mercedita International Airport is located just east of the central business district of Ponce. The airport covers 275 acres and has one runway. The airport is served by JetBlue and CapeAir. In FY2010, the airport had 101,946 enplanements. Mercedita International Airport is 71 miles from San Juan or approximately 1 hour and 15 minutes by car.

Fernando Luis Ribas Dominicki Airport (Isla Grande Airport) is located in the Miramar region of San Juan and is primarily used for small-craft, commercial service to other Puerto Rico airports and nearby islands, as well as general aviation and military. In FY2010, the airport had 46,081 enplanements. Isla Grande Airport is approximately 15 minutes by car from LMM and is 3 miles from downtown San Juan.

Antonio Rivera Rodríguez Airport is located on Vieques, an island-municipality of Puerto Rico in the northeastern Caribbean. The airport currently accommodates only small propeller driven aircraft. In FY2010, the airport had 74,177 enplanements.

Eugenio María de Hostos Airport is a small public airport located four miles north of the central business district of Mayagüez. The airport covers 172 acres and has one runway. It offers limited commercial service, subsidized by the Essential Air Service program.

José Aponte de la Torre Airport (Ceiba) is a public use airport owned by the PRPA and located approximately 2.3 miles from the central business district of Ceiba. The airport opened in November 2008 on the site of the former Roosevelt Roads U.S. Naval Station, with operations transferring from the nearby Diego Jiménez Torres Airport in Fajardo. The airport covers an area of 1,646 acres and has one operating runway measuring 11,000 ft. by 150 ft.

In addition to the six airports described above, Puerto Rico has five other airports (located in Arecibo, Culebra, Fajardo (non-operational), Humacao and Patillas) providing non-commercial service. The following map shows all of the airports in Puerto Rico:



Source: Puerto Rico Ports Authority

2.3 HISTORICAL REVENUE AND OPERATIONS

OPERATIONS

LMM is owned and operated by the PRPA, as the largest component of the PRPA's aviation operations. The PRPA provides administrative, financial, maintenance, engineering and planning services to the Airport. The PRPA assigns through an allocation methodology the associated cost of these services to the Airport.

LMM's core operations, through which it derives its principal sources of revenue, consist of:

- Airline services – Providing origination and destination services for 24 commercial and international airlines through 5 concourses, including concourse A (American Airlines is the largest airline served, representing 41% of enplaned passengers as of FY2010).
 - LMM's concourse A will add 7 gates for airlines.
- Air cargo services – Serving air cargo service providers – LMM handled nearly 414 million pounds of cargo in FY2010.
- Airport parking services – LMM has approximately 4,750 parking spaces, in addition to separate parking space for federal employees.
- Commercial services – Providing other commercial services for airline passengers, including various retail, food and beverage outlets and car rental services.
- Military services – The Puerto Rico Air National Guard operates a 126-acre facility at the north-east end of the Airport for its air fleet needs. Grant assurance rules require that military aircraft landing fees be covered by the Contractor. Additional information about this will be available at a later time.
- Other – As an airport regulated by the FAA, LMM also collects Passenger Facility Charges of \$4.50 per enplaned passenger. This revenue source offsets the cost of certain approved capital projects to maintain or upgrade the Airport for the benefit of passengers and airlines.

To successfully execute these core operations, LMM also performs several key support functions that include management, administrative and specialized processes that are essential to the operation of an airport.

AIRPORT PARKING

The airport parking services charge an hourly fee per car parked; however, LMM pays a third-party to manage the day-to-day operations of the airport parking lot.

CURRENT RATE SYSTEM

Under the current framework, commercial airlines and air cargo companies operate under a rates and charges agreement in which LMM is paid for airlines' access to its terminal and airfield areas. The rates are reset each year and are based on take-off weight, passengers flown and space rented. Rates also include compensation for debt incurred by the Airport in accordance with certain capital expenditure projects needed at the Airport. LMM uses a third party consultant in assisting with setting the actual rates with the airlines.

NEW RATE SYSTEM

The MOU between the LMM carriers and the Sponsors simplifies the rate structure going forward. Under the new structure, total annual fees (“**Total Fees**”) paid by carriers for the use of the airfield and terminal areas at the Airport will be set at an

initial rate and increased by rates as defined in the MOU. The fees will be broken down into airfield and terminal unit rates as follows:

- A defined percentage of the Total Fees will be allocated to the airfield to calculate a landing fee based upon maximum allowable gross takeoff weight (“**MAGTOW**”).
- A defined percentage of the Total Fees will be allocated to terminal fees (the “**Terminal Fees**”). A portion of the Terminal Fees will be allocated to space that is rented exclusively to individual airlines (the “**Exclusive Use Rentals**”). Rent will be paid by each carrier for the space rented exclusively to such carrier at a fixed rate for the first five years and growing with CPI thereafter. Exclusive Use Rentals will first be deducted from Terminal Fees and the remainder of the Terminal Fees will be sub-allocated as follows:
 - Defined percentage (the “**Domestic Terminal Fees**”) will be sub-allocated to the domestic terminal area and will be calculated and paid by passenger carriers based on the number of arriving and departing passengers;
 - Defined percentage (the “**International Terminal Fees**”) will be sub-allocated to the international terminal area and will be calculated and paid by passenger carriers based on the number of arriving international passengers; and
 - Defined percentage (the “**Local Terminal Fees**”) will be sub-allocated to the local terminal area and will be calculated and paid by passenger carriers based on the number of arriving and departing passengers on local flights that meet certain criteria.

Full details of the new fee structure will be made available in the diligence phase of this process.

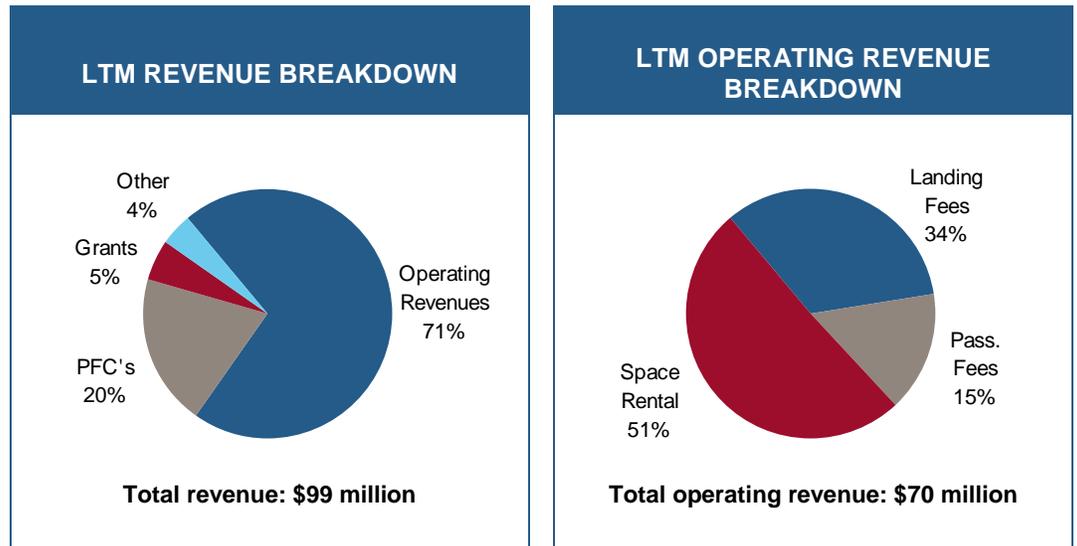
2.4 HISTORICAL REVENUE AND OPERATIONS

OVERVIEW OF FINANCIAL RESULTS

LMM financial results are currently consolidated into the aviation reportable segment of the PRPA’s consolidated and audited financial statements. LMM does not have standalone audited financial statements. The Sponsors, along with its advisors, have developed historical financial results based on trial balances and invoice summary reports. An independent public accounting firm has reviewed these statements according to an agreed upon procedure and issued a report on their findings. A copy of this report, along with the standalone financial statements will be available in the electronic data room. For the twelve months ended March 31, 2011, EBITDA was approximately \$40 million.

TYPES OF REVENUES

The primary sources of LMM operating revenues are landing fees, passenger fees, terminal area exclusive rental charges, tenant rents, concession and parking revenues. These revenues, along with federal grants and PFC revenue, fund LMM operating and capital expenses, deposits and debt service requirements. On a preliminary basis, for the twelve month period ending March 31, 2011, LMM generated \$99 million of total revenues, including \$70 million of operating revenue (excluding PFC, federal grant and other non-operating revenues), \$19 million of net PFC revenue, \$5 million of federal grants and \$4 million of other non-operating revenue. A breakdown of LTM revenues ending March 31, 2011 is as follows:



Note: Operating revenue breakdown excludes \$9 million net adjustment related to provision for bad accounts

i. AIP Grants

The Airport and Airway Improvement Act of 1982 created the AIP grant program, which is administered by the FAA. The AIP grants include entitlement grants, which are allocated among airports by the FAA in accordance with a formula based on enplanements, and discretionary grants, which are allocated by the FAA in accordance with its guidelines. LMM is expected to receive approximately \$9 million of entitlement funding through 2014, net of the forfeiture of certain entitlement funds required as a result of imposing a \$4.50 passenger facility charge (“PFC”). Under current federal law, entitlement grants to airports such as LMM that impose a PFC of \$4.50 are reduced for each fiscal year by 75% of projected revenues from the PFC in such fiscal year, but not to exceed 75% of the entitlement grant to which the airport would otherwise be entitled.

ii. PFCs

The United States Congress enacted legislation (the “PFC Act”) in 1990 authorizing a public agency, such as the PRPA, which controls a commercial service airport to charge each paying passenger enplaning at the airport (subject to limited exceptions) a PFC of \$1.00, \$2.00 or \$3.00. The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (“AIR 21”) subsequently authorized eligible public agencies such as the PRPA to impose PFCs of \$4.00 or \$4.50.

The purpose of the PFC is to provide additional capital funding for the expansion of the national airport system. The proceeds from PFCs can only be used to finance eligible airport-related projects that preserve or enhance safety, capacity or security of the national air transportation system; reduce noise from an airport that is part of such system; or furnish opportunities for enhanced competition between or among air carriers. Before imposing and using PFCs, a public agency must apply to the FAA for approval.

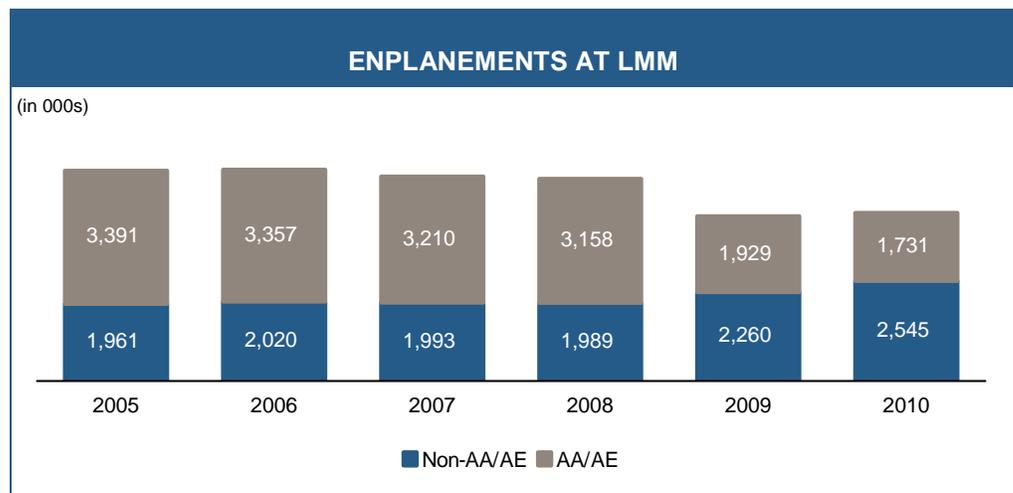
AIR 21 authorized eligible public agencies such as the PRPA to impose PFCs to finance PFC eligible projects, including the payment of debt service on indebtedness incurred to finance such projects that cannot be paid from funds reasonably expected to be available through the AIP. Funding of surface transportation or terminal projects at the \$4.00 or \$4.50 level of PFC funding is conditioned on a finding that the public

agency has made adequate provision for financing the airside needs of the airport, including runways, taxiways, aprons and aircraft gates. In addition, at medium and large hub airports such as LMM, projects eligible for the \$4.00 or \$4.50 level of PFC funding are required to make significant contributions to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion or reducing the impact of aviation on people living near the airport.

Starting in 1993, the PRPA began imposing PFCs at LMM at \$3.00. The PRPA increased the PFC to \$4.50 on December 1, 2005. Under the Pilot Program, the Contractor will be considered a “public agency” for purposes of the PFC Program, with comparable ability to impose and use PFCs.

2.5 HISTORICAL TRAFFIC

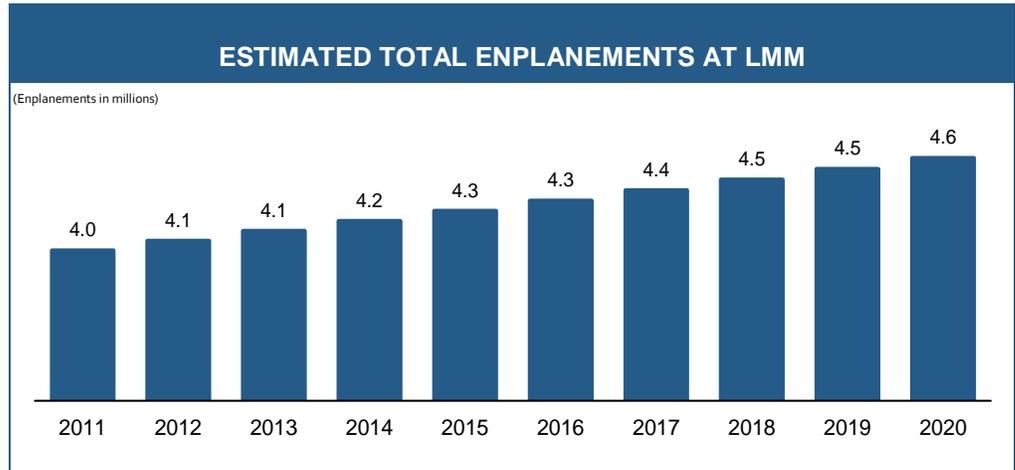
The FAA classifies LMM as a “medium hub” airport, defined as including between 0.25% and 1% of revenue passenger boardings annually, whether or not in scheduled service. While there has been a decline in total passenger traffic at LMM since 2005, non-American Airlines / American Eagle carriers have grown their presence at LMM by a CAGR of 5.4%. They have done so during a very difficult operating environment for air carriers globally and while American Airlines has begun to reduce seat capacity to the airport by 45%.



2.6 PROJECTED TRAFFIC

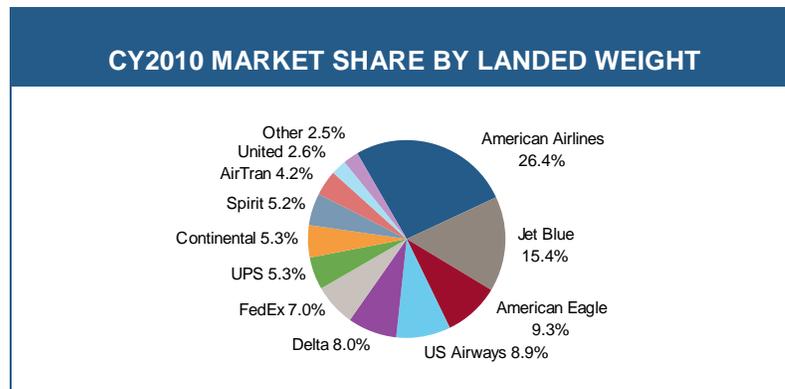
According to the latest FAA forecasts, projected enplanements at LMM grow at a CAGR of 1.6% over the long-term. The FAA’s forecast assumes steady, conservative growth with total enplanements below total Airport capacity, reaching 5.3 million passengers in 2030.

Further, the most recent traffic projections sourced from airline schedules and surveys suggest a higher level of enplaned passengers than those of the FAA. Based on the aforementioned, enplanements are projected to reach 4.0 million in 2011 and 4.1 million in 2012. Assuming the FAA’s steady 1.6% growth rate, the projected enplanements for LMM would look like the following:



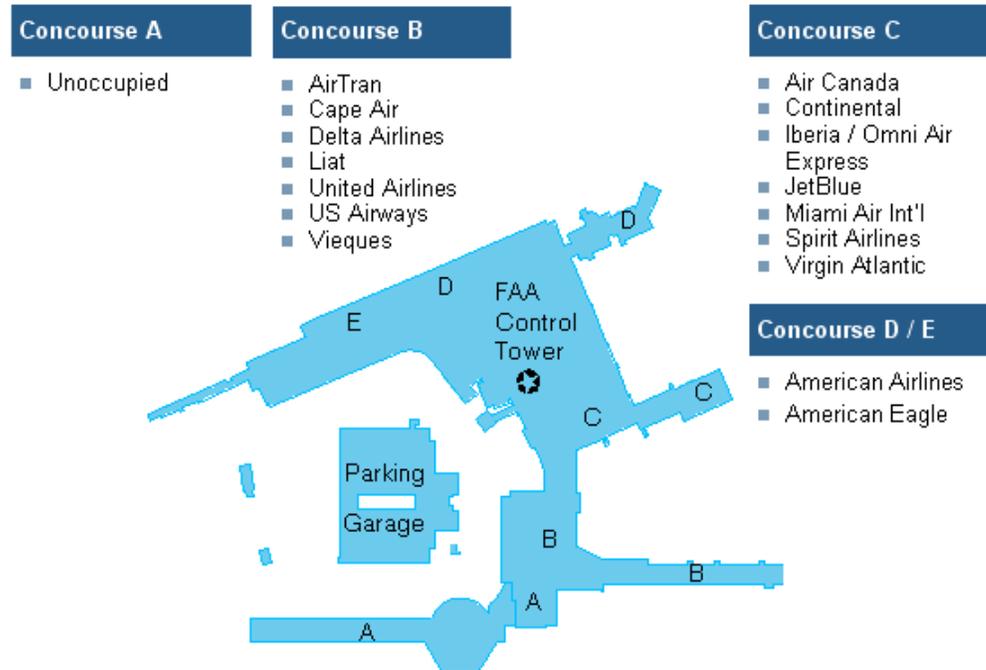
AIRLINE OPERATIONS AT LMM

As of June 2010, scheduled passenger air service at LMM was provided by 24 airlines (together with regional affiliates and code share partners). Collectively, these airlines offer non-stop service to more than 44 markets with nearly 170 daily commercial departures. The following table identifies the December 2010 market shares of the airlines based on landed weight:



Note: Represents the 12 months ended December 31, 2010
 Source: PRPA

TERMINAL AND CONCOURSE LAYOUT



2.7 RECENT HISTORY OF KEY CAPITAL IMPROVEMENTS

The information below outlines some of the latest key capital improvement projects completed on the Airport. These improvements have contributed to the Airport's revenue stability and ongoing traffic.

- Reconstruction of runway 10-28
- Construction of concourse A adding 7 new gates
- 660 new CCTV cameras installed as part of the Airport's new security program
- Improvements to select concession areas in the passenger concourses
- New security program along with advanced access control
- Construction of a new general aviation area south of runway 10-28 including a dedicated full-length taxiway

3. Investment Highlights

3.1 AIRPORT INVESTMENT HIGHLIGHTS

The Sponsors believe that the Airport represents an excellent investment opportunity for the private sector. Though a current source of stable and growing cash flows for the PRPA, the Sponsors believe that the private sector could unlock significant additional value and provide enhanced service to the people of Puerto Rico. Some of the key highlights of the Airport are as follows:

- Attractive deal structure
- New airline rate agreement
- Significant performance upside
- Ample terminal and airfield capacity
- Long operating history and marquee asset in Puerto Rico
- Stable investment opportunity

ATTRACTIVE DEAL STRUCTURE

- The Sponsors have decided to consider an administrative concession of the Airport to a new private consortium. This will give the new Contractor operational and financial control, subject to the terms and conditions of the PPP Contract. All ongoing relationships with the PRPA relating to LMM will be clear and contractually based. The PPP Contract will have a term of 40 – 50 years, allowing the new Contractor to carry out long-term investment and planning for LMM.

NEW AIRLINE RATE AGREEMENT

- The new Use Agreement will govern the relationship between the Contractor and the Airlines upon the closing of the PPP Contract. The rate structure establishes a new framework of incentive-based rates and charges to increase the efficiency of the Airport's operations. The aeronautical rates provide capped protection for the airlines and the Contractor, while maintaining the non-aero upside for the Contractor.
- Increased passenger volume drives down unit rates for the airlines and increases non-aero revenues for the Contractor. Additionally, the initial rates have been set to provide the Contractor with sufficient operating expense coverage. Assuming reasonable passenger growth, LMM is projected to generate EBITDA of \$40 million to \$50 million, including PFCs in 2012.

SIGNIFICANT PERFORMANCE UPSIDE

- The Sponsors believe that after the execution of the PPP Contract, there is significant potential to increase commercial revenue both in terms of variety of activities and penetration levels to be generated by the Contractor after the PPP Contract is awarded. The current offering at the Airport fails to capture the opportunity that exists in commercial revenues.
- Historically, LMM has operated an international hold-room, providing in-transit passengers, typically from Europe to South America, an opportunity to shop, visit retail outlets and utilize the facilities. After September 11, 2001, the international hold-rooms were eliminated for security reasons. However, the PRPA is currently

in discussions with the U.S. Department of Homeland Security to reinstate this practice.

- The strategic location and sea level elevation of LMM makes it an ideal destination to serve as a major hub between North America and Europe to South America, Central America and the Caribbean. As LMM reaches its full potential in this area, the profile of Puerto Rico as a major Caribbean destination could be enhanced, the Airport traffic could increase and the number of destinations could improve.

AMPLE TERMINAL AND AIRFIELD CAPACITY

- The current terminal space was designed for a peak of 10 million passengers per year and the two runways can handle 40 operations per hour.
- LMM's new concourse A facility provides a private operator with significant flexibility to drive additional traffic through new gate space. Concourse A also provides ample commercial space for retail and restaurants, as well as a pre-security mezzanine level yet to be developed.

LONG OPERATING HISTORY AND MARQUEE ASSET IN PUERTO RICO

- LMM provides origination and destination services for 24 domestic and international airlines. American Airlines (including its American Eagle regional subsidiary operations) has a 35-year operating history at the Airport and is the largest airline, representing 36% of landed weight as of CY2010. Additionally, carriers such as JetBlue and Spirit have made LMM an integral part of their networks and have increased their presence at the Airport. As the global economy rebounds, LMM continues to attract new service from international carriers such as British Airways and Virgin Atlantic.
- With the largest convention facility in the Caribbean in San Juan, LMM serves as a gateway for business travelers in the government, educational and health services sectors. With approximately 4.2 million people of Puerto Rican ancestry on the U.S. mainland, LMM also serves a significant number of visiting friends and relatives. Finally, San Juan is a major tourist destination for both cruise passengers (San Juan is the 4th largest U.S. cruise port) and travelers connecting to other Caribbean islands.
- Currently, LMM has the largest air cargo operations in Puerto Rico and, demand forecasts project 950 million short tons of cargo to be flown by 2024. Given that Puerto Rico is an island approximately 1,000 miles from the mainland United States, cargo operations are essential to serving the needs of the almost 4 million residents. The Airport serves 14 all-cargo and commercial carriers that provide cargo services, primarily represented by FedEx, UPS and the United States Postal Service.

STABLE INVESTMENT OPPORTUNITY

- The Commonwealth of Puerto Rico is one of the most dynamic economies in the Caribbean region. Benefitting from its Commonwealth status with the U.S., Puerto Rico has a stable legal and regulatory regime where major U.S. corporations have historically operated to take advantage of its favorable investment environment and tax advantages. Puerto Rico is currently awarded a BBB sovereign rating by Global Insight and benefits from a growing (0.8% CAGR over the past 40 years) and bilingual population. The economy includes a

sophisticated financial system, acts as a global center for pharmaceutical manufacturing and contains strong consumer, retail and service sectors.

- In addition, this investment will exist under the oversight of the FAA, providing a stable regulatory environment for the Contractor.

4. Proponent Qualification Requirements and Evaluation Criteria

4.1 PROPONENT QUALIFICATION REQUIREMENTS AND EVALUATION CRITERIA

This RFQ is available for prospective Proponents who desire to participate in the RFP for the Project. All RFQ submissions will be reviewed based on the requirements set forth in Section 5 of this RFQ.

In accordance with Section 4.4 of the Regulation, the PPP Committee reserves the right to qualify, at its absolute discretion, a limited number of the prospective Proponents 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 Proponents of its right to limit the number of Proponents who will be found qualified.

EVALUATION CRITERIA

Prospective Proponents who submit a response to this RFQ will be evaluated on the basis of the following three sets of criteria:

Compliance with Requirements of the Act

The RFQ submission will be reviewed to determine whether it satisfies the Act's requirements with respect to the following areas:

- The prospective Proponent 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 operation and maintenance of the Project;
- The prospective Proponent shall have a good reputation and the managerial, organizational and technical capacities, as well as the experience, to develop and administer the Project;
- Each Member and the Proponent, if the Proponent 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 of the Proponent (each a "Covered Party"), has been convicted, has entered a guilty plea or has been indicted, nor has probable cause been found for their arrest, in any criminal proceeding in the courts of the Commonwealth, the Federal courts of the United States, or the courts of any jurisdiction of the United States or a foreign country, of criminal charges related to acts of corruption or to any of the following crimes: a crime against public integrity, as defined in the Commonwealth of Puerto Rico Penal Code, embezzlement of public funds, a crime against the public treasury, public trust, public function or involving the wrongful use of public funds or property, any of the crimes enumerated in Act No. 458 of December 29, 2000, as amended ("Act 458"), or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country. The

Proponent is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Proponent that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act (this requirement may be satisfied by reference to the completed Proponent Certification included as Appendix A to this RFQ).

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

Technical Capabilities

The evaluation of technical capabilities will consider whether the RFQ submission adequately responds to the technical capability requirements of the PPP Contract with respect to the following areas of expertise:

- Airport operations, development, maintenance and route development
- Safety and security / management of critical pieces of transport infrastructure
- Airline and passenger customer service
- Experience of working with government authorities

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

Financial Capability

The evaluation of financial capabilities will address whether the RFQ submission adequately responds to the financial capability requirements of the PPP Contract with respect to the following:

- Financial capacity to pay up-front acquisition proceeds and maintain and improve the Airport;
- Ability to raise financing;
- Credit quality to ensure the payment of any obligations, including, but not limited to, obligations under the PPP Contract; and
- Commitment to submit a competitive price.

5. RFQ Submission Requirements and Procedure

5.1 RFQ SUBMISSION REQUIREMENTS

Overview of Requirements

Credit Suisse Securities (USA) Inc. is serving as financial advisor (the “**Advisor**”) to the Sponsors in connection with this RFQ and the possible PPP Contract for this Project. **Prospective Proponents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information via e-mail to the PPP Committee’s e-mail address listed below. RFQ submissions 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 via e-mail. Please do not contact any officials or related parties of the Sponsors in any other manner. Such contact may serve as grounds for disqualification.**

Address questions, comments, RFCs and RFIs to:

LMM PPP Committee Representative

Request for Qualifications –

Luis Muñoz Marín International Airport

E-mail: RFQ-LMM@p3.gov.pr

No Liability for Costs

The Sponsors and their advisors are not responsible for costs or damages incurred by prospective Proponents, Members, subcontractors, or other interested parties in connection with the solicitation process, including but not limited to costs associated with preparing responses, qualifications, and proposals, and of participating in any conferences, oral presentations or negotiations.

Modification and Termination Rights

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

Authorization for Further Investigation

By submitting a response to this RFQ, each prospective Proponent specifically authorizes the Authority, PRPA, the PPP Committee and their officers, employees and consultants to make any inquiry or investigation to verify the statements, documents, and information submitted in connection with this RFQ, and to seek

clarification from the prospective Proponent's officers, employers, advisers, accountants and clients regarding the same.

5.2 FORMAT AND REQUIRED INFORMATION FOR RFQ SUBMISSION

All RFQ submissions must be prepared in English and follow the format outlined below.

Responses should not exceed a total number of **32 single-sided pages** (without exceeding the individual section limits below), not including the following:

- (a) any Proponent Certifications;
- (b) any Appendices (as specifically permitted below).

No other Appendices should be included.

Responses should **STRICTLY** comply with the following format:

- Cover Page (to include identification of all Members)
- Cover Letter (2 pages maximum)
- Table of Contents
- An executed Proponent Certification from the Proponent and each Member. The form of this must strictly follow the form attached to this RFQ as Appendix A. See Section 1.7 above for more information.
- Executive Summary (2 pages maximum)
- Proponent Information (8 pages maximum)
 - i. Description of prospective Proponent: Provide a description of the prospective Proponent, including a description of all Members and the anticipated legal relationship (governance and capital structure) among the Members (e.g., partners, shareholders, consultants, etc.), as appropriate, and indicate whether the prospective Proponent or any Member participates in the World Economic Forum's Partnering Against Corruption Initiative (PACI).
 - ii. Roles of Members and Key Personnel: Briefly outline the roles of each Member and key personnel. Please limit your response to the roles of principal Members, such as the operator, equity investors, and sponsors.
 - iii. Contact Person: Provide a single contact person for all future communication between the PPP Committee and the Proponent. Please identify the contact person's name, title, organization, work address, email address, and work, cell and fax numbers.
 - iv. Controlling Interest: Identify the natural persons or legal entities that hold the ultimate major or controlling interest in each Member.
 - v. Expected Advisors: Identify the natural persons or legal entities that are expected to act as legal, financial, or other advisors for the Proponent.
 - vi. Comparable Projects: Provide a list of comparable projects in which Members have participated. Prospective Proponents should specify how these comparable projects relate to the Project. *This list may be included in an Appendix if prospective Proponents so desire.*

- vii. Disclosure of Conflicts: List any dealings with the Commonwealth of Puerto Rico, the Authority or the PRPA (including the employees and elected representatives of each), as well as any airlines operating at LMM, concessionaires or tenants at LMM, and suppliers of goods or services to LMM and other U.S. airports.
- viii. References: Provide a list of Member references. These references should be able to describe the relevant qualifications and capabilities of Members looking to take a leading role in the operation and maintenance of the Project. If possible, these references should come from the procuring government agencies or lead sponsors in previous roles. *This may be included in an Appendix if prospective Proponents so desire.*
- Compliance with the Act's Requirements (2 pages maximum)
 - i. Confirm the prospective Proponent's compliance with requirements of the Act as described in Section 4 of this RFQ under the heading "Compliance with Requirements of the Act".
- Technical Capability (8 pages maximum)

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

 - i. Operations and Maintenance Expertise: Prospective Proponents must provide evidence demonstrating their ability to operate and maintain a project of this nature and scope. Specifically, the prospective Proponent should have:
 - a. Substantial international hub airport operation and maintenance experience;
 - b. Advanced knowledge of terminal, runway and associated facilities, maintenance, repair, construction, and practical application of equipment and materials in airport operations, as well as a demonstrated understanding in aging behavior of terminal, runway and associated facilities to assess and determine the necessity for remedial maintenance action;
 - c. Familiarity with FAA operator certification standards, requirements and procedures, airport operations, construction and maintenance standards;
 - d. Experience with facilitating airport growth via route development and marketing;
 - e. Demonstrated understanding in airport-aging behavior to assess and determine the applicability of remedial-maintenance action;
 - f. Extensive experience in using airport condition and weather information to prepare for seasonal maintenance;
 - g. All the capabilities necessary to successfully operate and maintain the Airport, including routine maintenance, operations management, administration and public relations, and traffic and emergency operations; and
 - h. To the extent an operator has not been engaged at this stage, a prospective Proponent should demonstrate a track record of managing infrastructure projects by using its own managerial teams ("in-house" operations teams) or track record of

- successfully sub-contracting its operational obligations in infrastructure projects to appropriate and competent third parties.
- ii. **Customer Service:** Proponents must demonstrate their commitment to achieving the highest standards of customer service and satisfaction. Specifically, the Proponent must highlight their experience and qualifications in the following areas:
 - a. Maintaining productive ongoing relationships with government entities, similar to the relationship that the winning bidder will have with the PRPA;
 - b. Providing excellent customer service to the traveling public; and
 - c. Delivering safe and efficient operating conditions to airlines, particularly those at LMM.
 - iii. **Safety:** Prospective Proponents must demonstrate their ability to address and resolve safety issues. Specifically, the prospective Proponents should have:
 - a. Knowledge of airport safety strategies and methodologies;
 - b. Experience in emergency response support; and
 - c. Background in relevant airport engineering standards, specifications, policies, practices, and processes.
- **Financial Capability (8 pages maximum)**
- Prospective Proponents should address the following areas with respect to financial capability:
- i. **Financial Capacity:** Prospective Proponents must demonstrate their financial capacity to pay the expected equity portion of the up-front payment and to maintain the Airport for the term of the PPP Contract. To demonstrate sufficient financial capacity, Members must provide copies of audited financial statements for the past two years, together with any other relevant financial information (a copy of each Member's financial statements must be included in the RFQ Submission but may be attached to the RFQ Submission and need not be counted in the page limit on responses). If audited financial statements cannot be provided, Members should provide enough financial information to demonstrate that they have the financial resources to successfully execute a project of this nature and scope. Financial factors which will be assessed include:
 - a. Adequacy of equity;
 - b. Profitability;
 - c. Availability of liquid equity;
 - d. Demands from other projects; and
 - e. Consortium shareholder or similar agreements.
 - ii. **Ability to Raise Financing:** Proponents must provide specific evidence demonstrating their ability to raise financing for a project of this nature and scope. Specific factors that will be assessed include:
 - a. Track record of raising debt for similar projects, including, but not limited to, the number and size of past relevant transactions and references to specific experiences on past transactions;
 - b. Proposed acquisition structuring and robustness; and

- c. Level of commitment shown by the project sponsors.

5.3 RFQ SUBMISSION INSTRUCTIONS AND NEXT STEPS

Six copies of the RFQ submission should be delivered to the Authority at the address shown below no later than 5:00 p.m. (AST) of Monday, August 8th, 2011.

Please deliver 6 hard copies of the RFQ submission along with one copy in portable document format (PDF) on a CD to:

Puerto Rico Public-Private Partnerships Authority
LMM PPP Committee Representative
cc: David Alvarez – Executive Director PPP Authority
Government Development Bank for Puerto Rico Building, 2nd Floor
Roberto Sánchez Vilella Government Center, De Diego Ave
San Juan, PR 00940-2001 USA

5.4 CONFIDENTIALITY OF RFQ SUBMISSION

All RFQ submissions shall become the property of the Authority, except for documents or information submitted by prospective Proponents which are trade secrets, proprietary information or privileged or confidential information of the prospective Proponents. Prospective Proponents 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 prospective Proponents as “confidential” or “proprietary” will not be subject to disclosure under the Act, prospective Proponents 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 prospective Proponent has special concerns about confidential or proprietary information that it would desire to make available to the PPP Committee prior to its RFQ submission, such Proponent 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 prospective Proponent 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 prospective Proponent notice of its intent to disclose. In no event shall the Government of Puerto Rico, the Authority, the PPP Committee or the PRPA be liable to a prospective Proponent 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 prospective Proponent or its Members clearly identified as such by the prospective Proponent, or information that must otherwise be protected from publication according to law, unless otherwise ordered by a court order.

5.5 DISCLAIMER

The information provided in this RFQ, or any other written or oral information provided by the Authority, PRPA, the PPP Committee, Credit Suisse and their officers, employees and consultants in connection with the Project or the selection process is provided for the convenience of the prospective Proponents only. The prospective Proponents shall make their own conclusions as to such information. Oral explanations or instructions from officials, employees or consultants of the Authority, the PRPA, the PPP Committee, Credit Suisse or any Puerto Rico public agency shall not be considered binding on the Authority, PRPA, the PPP Committee or Credit Suisse. The Authority, the PRPA, the PPP Committee, Credit Suisse and their officers, employees 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 prospective Proponents.

In connection with the proposed Project, the Authority and the PRPA reserve all rights (which rights shall be exercisable by the Authority and the PRPA in their sole discretion) available to them under applicable laws and regulations, including, without limitation, with or without cause and with or without notice, the right to:

- Modify the procurement process to address applicable law and/or the best interests of the Authority, the PRPA, the GDB and the Commonwealth.
- Develop the Project in any manner that they deem necessary. If the Authority and the PRPA are unable to negotiate a PPP Contract to their satisfaction with a Proponent, they may negotiate with the next highest ranked Proponent, terminate the process and pursue other alternatives relating to the Project or exercise such other rights as they deem appropriate.
- Cancel the procurement process, as applicable, in whole or in part, at any time prior to the execution by the PRPA of an agreement, without incurring any cost obligations or liabilities.
- Issue a new RFQ after withdrawal of this RFQ.
- Reject any and all submittals and responses received at any time.
- Modify all dates set or projected in this RFQ.
- Terminate evaluations of responses received at any time.
- Exclude any prospective Proponent from submitting any response to the RFQ or bid, as the case may be, based on failure to comply with any requirements.
- Issue addenda, supplements and modifications to this RFQ.
- Require confirmation of information furnished by a prospective Proponent, require additional information from a prospective Proponent concerning its response and require additional evidence of qualifications to perform the work described in this RFQ.
- Seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFQ.

- Add or delete prospective Proponent responsibilities from the information contained in this RFQ or any subsequent process instruments.
- Negotiate with any party without being bound by any provision in its response.
- Waive deficiencies in a response to the RFQ or permit clarifications or supplements to a response to the RFQ.
- Add or eliminate facility expansion to or from the Project.
- Modify the Project described in the RFQ.
- Incorporate the RFQ or any prospective Proponent's response to the RFQ as part of any formal agreement with the chosen Proponent.
- Not issue a notice to proceed after execution of any contract.
- Exercise any other right reserved or afforded to the Authority and PRPA under the Act, the Regulation or this RFQ.

This RFQ does not commit the PRPA to enter into a contract or proceed with the Project as described herein. The Authority, the PRPA, the GDB, and the Commonwealth 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 prospective Proponent.

In no event shall the Authority or the PRPA 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, the PRPA and the Governor, has been executed and authorized by the PRPA and, then, only to the extent set forth therein.

Appendix: Supplementary Legal Materials

APPENDIX A: FORM OF PROPONENT CERTIFICATION

[Letterhead of each Proponent and Proponent Member]

PRPA PPP Committee Representative
Request for Qualifications –
Luis Muñoz Marín International Airport

Dear PPP Committee Representative,

We have carefully reviewed the Request for Qualifications dated [] 2011 (“**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 5.5 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 prospective Proponent as its acts and deed and that the prospective Proponent 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 Proponent (each a “Covered Party”), has been convicted, has entered a guilty plea or has been indicted, nor has probable cause been found for their arrest, in any criminal proceeding in the courts of the Commonwealth, the Federal courts of the United States, or the courts of any jurisdiction of the United States or a foreign country, of criminal charges related to acts of corruption or to any of the following crimes: a crime against public integrity, as defined in the Commonwealth of Puerto Rico Penal Code, embezzlement of public funds, a crime against the public treasury, public trust,

public function or involving the wrongful use of public funds or property, any of the crimes enumerated in Act No. 458 of December 29, 2000, as amended (“Act 458”), or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country. The Proponent is in compliance and will continue to comply at all times with all federal, state, local and foreign laws applicable to the Proponent 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 prospective Proponent, 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 PRPA, 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 prospective Proponent, and no officer or employees of the Authority, the PRPA, the PPP Committee or any other public agency of Puerto Rico (nor any member of their families) has directly or indirectly participated with the prospective Proponent 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.gov.pr>.

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.gov.pr>.

We further certify that this proposal is made without prior understanding, agreement, connection, discussion or collusion with any other person, firm or corporation

submitting separate Statement of Qualifications or any officer, employee or agent of the Authority, the PRPA or the PPP Committee; and that the undersigned executed this Proponent'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 Proponent or Member]