



GOVERNMENT OF PUERTO RICO

Puerto Rico Public-Private Partnerships Authority

PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY ANNOUNCES THE SELECTION OF HMS FERRIES, INC FOR THE OPERATION AND MAINTENANCE OF THE ASSETS OF THE MARITIME TRANSPORTATION AUTHORITY

November 6, 2020- SAN JUAN, PR. – The executive director of the Puerto Rico Public-Private Partnerships Authority, Fermín Fontanés, announced today the selection of the company HMS Ferries, Inc. for the operation and maintenance of the Maritime Transportation Authority (MTA) and island-municipalities’ assets through a public-private partnership of 23 years.

The selection of HMS Ferries is the result of a robust bidding process that lasted for over 27 months with the main objective of achieving the optimization of the maritime transportation service operation provided by MTA to the residents of Puerto Rico, especially to the residents of Vieques and Culebra; as well as to achieve the Government’s objective of providing modernization of the governmental functions with the purpose of offering better and more resilient services to the people of Puerto Rico.

“As we all know, for years MTA has lacked the capacity of providing a level of service that is consistent and reliable for its passengers, and even more importantly, for the residents in the island-municipalities of Vieques and Culebra, who need this essential service for their daily livelihood. Less than a year ago I made a commitment to these citizens to work in order to achieve the service that they need and have a right to. With this agreement, I’m confident that we’re moving in the right direction towards that goal”, said the governor of Puerto Rico, Wanda Vázquez Garced.

On his part, Fermín Fontanés emphasized that “this public-private partnership agreement is the adequate mechanism so that the island-municipalities of Vieques and Culebra, as well as Cataño, can have a maritime transportation service that is efficient, reliable and consistent. We’re convinced that the

selection of HMS Ferries will lead the way to improve this service, under the highest standards, according to successful models in other jurisdictions”.

HMS Ferries Inc. is a maritime transportation world-class company based in Washington, and a subsidiary of HMS Global Maritime, Inc., the largest operator of cargo and passenger ferries in the U.S. and the first to operate its vessels under the International Maritime Organization’s High-Speed Craft Code. This code contains a complete series of requisites for high-speed vessels, including equipment and operation and maintenance conditions.

HMS Ferries Inc. brings 20 years of knowledge and experience in cargo and passenger transportation, as well as a solid track record of vessel operation and maintenance services. Last year, the company transported over 3 million passengers and 1 million vehicles aboard 18 vessels throughout the U.S.

Among the responsibilities that will be transferred to the private operator are:

- The management of MTA’s ferries services between Ceiba and the island-municipalities of Vieques and Culebra (Island Service), and Metro Service, which is the route between Old San Juan and Cataño.
- The maintenance of the terminals and vessels.
- The optimization of ticketing services.
- The operation and maintenance of the Maintenance Facility in Isla Grande

It is estimated that this public-private partnership agreement for the operation and maintenance of MTA’s transportation system will result in savings of approximately \$337 million for the Government of Puerto Rico by the end of Phase II of the project. In addition, providing a more efficient, reliable and attractive service will promote tourists and guests’ visits to the island-municipalities, creating a potential climate of investment and business development that will contribute to the economic development of Vieques and Culebra.

The executive director of the Maritime Transportation Authority, Mara Pérez Torres, pointed out that “after hurricanes Irma and María, MTA’s transportation system





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that was already facing serious issues– was severely affected financially and operationally. This represented unprecedented challenges in the areas of client services, reliability and quality of service in general, while the assets (vessels) were significantly deteriorated”.

“This concession allows us to capitalize in the experience and innovation of the private operator to provide a more efficient and reliable service, that will attend principally to the needs of the residents of the island-municipalities, promote the safety of our employees and passengers, increase revenue and reduce operational costs”, concluded Pérez.

As for the bidding process, Fontanés explained that it was carefully designed to guarantee the best determination when selecting the private operator for the operation and maintenance. “The process was robust, competitive and transparent, and closely coordinated with the Fiscal Oversight and Management Board. All this under the strictest transparency standards within the legal framework of the public-private partnerships infrastructure”.

During the presentation of HMS Ferries, Inc. selection important aspects were discussed. These include an overview of the Maritime Transportation Authority, its historic background and present status; the Puerto Rico Public-Private Partnerships Authority processes’ in the evaluation and selection of proponents; HMS Ferries, Inc. scope of work and contractual terms; and the short and long term transformation goals for the maritime transportation system.

The Puerto Rico Public-Partnerships Authority was established in 2009 and is the only government entity authorized and responsible for the implementation of the public-private partnerships policy of the Government of Puerto Rico.

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