



GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

REQUEST FOR QUOTES

Financial Advisory Services

The Puerto Rico Public-Private Partnerships Authority is seeking quotes from qualified financial advisors to assist with the analysis of a potential public-private partnership project related to the modernization of the digital infrastructure of the Puerto Rico Highways and Transportation Authority.

August 9, 2021
San Juan, Puerto Rico

Submittal Deadline: 5:00 PM AST, August 20, 2021

REQUEST FOR QUOTES

The Puerto Rico Public-Private Partnerships Authority (the "Authority") is seeking quotes from qualified firms to provide financial advisory services to assist with the analysis of a potential public-private partnership project related to the modernization of the digital infrastructure of the Puerto Rico Highways and Transportation Authority (the "Projects")

Quotes can be sent electronically via email to:
advisors@p3.pr.gov
Attention: Fermín E. Fontanés Gómez, Esq.
Executive Director of the Authority

Please refrain from submitting general marketing materials

INTRODUCTION

The Authority was created pursuant to Act. No. 29 of June 8, 2009, as amended (the “Act”), as the sole entity responsible for promoting and implementing the public policy of Puerto Rico with respect to the advancement of PPPs. In the course of carrying out such purpose, the Authority assists and acts as an agent of the projects stakeholders during the analysis and process that leads up to the development of the projects under the PPP model.

The Authority and the Puerto Rico Highways and Transportation Authority (“PRHTA” or “Project Sponsor”), are seeking quotes from qualified firms to provide the following services:

1. Financial analysis of the proposed PPP for determining financial viability, including: evaluation of available technical data, performance of financial and revenue modeling of procurement agreements, execution of further studies or investigations, if needed, to determine the most convenient and beneficial transaction in compliance with the requirements of the Act and the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Participatory Public-Private Partnership Contracts under Act No. 29-2009, as amended (the “Regulation”).
2. Assist the Authority and its advisors in developing the business case and feasibility of implementing the Project,
3. Assist the Authority and its advisors in drafting a Desirability and Convenience Study for the potential PPP Project, and
4. Assist and support the Authority in the development of all financial aspects of the Projects and any other tasks related to the procurement and implementation processes.

This Request for Quotes does not commit the Authority to award a contract nor to pay any costs incurred in the preparation of any material in response to this request. The Authority reserves the right, in its sole discretion, to consider more than one qualified firm, to accept or reject any or all quotes received as a result of this request, to negotiate with any qualified firm and to modify or cancel this Request for Quotes in part or in its entirety, without further notice, explanation or clarification.

PROJECT BACKGROUND

The Authority is in the process of assessing a potential public-private partnership for analysis of the Project. The objective of the Project is to modernize and expand the connectivity of the internet network and facilitate the transmission of data and information through the entire island of Puerto Rico. The project also has the capacity to strengthen the network of internal communications of the PRHTA, which will allow better handling of information related to traffic conditions, road safety and emergency response.

PRHTA owns large portions of infrastructure throughout Puerto Rico including extensive telecommunications and digital infrastructure. For example, PRHTA owns telecommunications towers, fiber optics and broadband already installed.

Given this circumstance, the PRHTA is interested in establishing a project that allows to modernize, develop, and maximize the commercial infrastructure of all its telecommunications, in order to accelerate Puerto Rico's insertion into the virtual economy and expand Puerto Rico's connectivity to the network of global internet, information and data transmission.

The proposed project delivery method will be a design, build, finance, operate and maintain (DBFOM). In exchange for the investment and risk to be transferred to the private party, the Authority will allow the private party to commercialize the digital infrastructure by offering telecommunication services and internet services, among others.

SCOPES OF WORK

The Authority seeks to procure services of a firm that will provide financial advisory services for the potential Project previously described herein.

The Advisor of the project will review and evaluate the scope of work, assess the Project financing options and assist in the preparation of documents, information, agreements, etc., as per the Authority's request. The scope of work includes, but is not limited to the following:

- i. Model financial proposal, independently evaluate terms and pricing, structure transactions and prepare financing summary.*
- ii. Analyze other procurement options for the proposed project, model prospective cash flows, compare financings to funding through municipal bonds (if applicable), consider risk/returns profiles, and perform other analyses that might be needed in the evaluation of PPP opportunities.*
- iii. Review and analyze historical data from the agency to develop a revenue projection model considering different contracting models and proposed terms.*
- iv. Provide assistance in developing certain portions of the Desirability and Convenience Study:
 - a. Provide the following items for the Desirability and Convenience Study:
 - i. Risk allocation table (provide a summary of risk allocation based on project precedents and assist the Authority in achieving an optimal risk allocation in light of the objectives of the Project and Sponsors),*
 - ii. Analysis of delivery alternatives,*
 - iii. Quantification of risks and value for money analysis, and*
 - iv. Project affordability as required by the Desirability and Convenience Guidelines.**
 - b. Provide a revenue sensitivity analysis and scenarios based on different revenue collection rates,*
 - c. Allow for revisions and discussion sessions with the Authority and Project Sponsors regarding preliminary results of the Desirability and Convenience Study.**
- v. Advise on how to secure public funding (including potential Federal Government Grants available for this type of project) for the project (if any) and on the applicability of specific sources of funding and how these can be optimized within the funding structure.*

- vi. *Assist in the procurement process and proposal evaluation:*
 - a. *Support in the development of Request for Qualifications (“RFQs”) or Request for Proposals (“RFPs”) specifics: instructions to proponents, award criteria, minimum requirements, etc.,*
 - b. *Ensure that all financial aspects of the proponents’ solutions meet the requirements for submitting a proposal,*
 - c. *Optimize, scrutinize and possibly audit financial models submitted by proponents,*
 - d. *Evaluate and advise on financial proposals terms and pricing, structure transactions, etc.,*
 - e. *Advise on bankability issues raised by the PPP contract,*
 - f. *Undertake financial due diligence of the submitted proposals.*

- vii. *Provide assistance through the closing of the agreement.*
 - a. *Participate in the negotiations together with the Authority personnel, attorneys, consultants, sponsors and other interested parties in the execution of an agreement.*
 - b. *Assist in the negotiation with lenders.*
 - c. *Assist in the strategy and completion of the interest rate and currency hedging at financial close.*

DELIVERABLES

The Advisor will be required to prepare and deliver a draft work plan. The plan shall include: specific tasks, resources, and deliverable items. Further, the Advisor shall deliver a final report for each of the deliverables in electronic version.

DISCLOSURES

General Disclosures

The Authority reserves the right to terminate any contract entered into as a result of this Request for Quotes at any time, provided that written notice has been given at least thirty days prior to such proposed termination date. In addition, the Authority reserves the right of precluding any advisor from participating as a proponent or proponent's team member in concurrent PPP projects.

The issuance of this Request for Quotes, submission of a response by any firm, and the acceptance of such response by the Authority does not obligate the Authority or proponent in any manner. Legal obligations will only arise upon the execution of a formal contract by the Authority and the selected firm.

All costs and expenses incurred by the selected firm in the preparation and delivery of a proposal will be the sole responsibility of the selected firm. The Authority will not be liable for any amounts to any proponent in any manner, under any circumstances, including without limitation, as a result of the termination of the request for quotes process. All quotes submission materials will become the property of the Authority.

The Authority will evaluate all quotes based on their responsiveness to the matters contained in this document, and any other factors that the Authority determines to be appropriate. The Authority is not obligated to accept the proposal with the lowest proposed fee.

This Request for Quotes may be updated, supplemented or amended at any time by the Authority. The Authority will distribute such updates, supplements or amendments to all proponents.

The Authority reserves the right to postpone or cancel this Request for Quotes or reject any or all proposals if it deems it to be in the Authority's best interest. Proponents should submit their best proposals initially, since negotiations may not take place. A proponent may withdraw its quote by providing the Authority with written notification.

Confidential and Proprietary Information

One copy of each quote will be retained for the Authority's files. If a proponent considers that its quote contains material that is confidential and/or proprietary, the proponent must clearly note or mark each section of material as confidential and/or proprietary. The Authority will determine whether such material meets the requirements of the Act 29 for an exemption from public disclosure. If it meets such requirements, that information will not be disclosed pursuant to a request for disclosure. If the Authority does not consider such material to meet the requirements for exemption from disclosure, the material will be made available to the public, regardless of the notation or markings.