REQUEST FOR QUOTES
Financial and Strategic Advisor
Puerto Rico Highway Transportation Authority’s toll roads PR-20, PR-52, PR-53, and PR-66 project

Issue Date: July 5, 2022

Documents will only be received electronically.
Hand delivery and postal mailed documents will not be accepted.

Submittal Deadline: on or prior to 5:00 PM Atlantic Standard Time (“AST”), July 15, 2022

No Telephone Queries Will Be Accepted
REQUEST FOR QUOTES

The Public-Private Partnerships Authority ("Authority") is seeking quotes for financial and strategic advisory services in connection with the Puerto Rico Highway Transportation Authority’s toll roads PR-20, PR-52, PR-53 and PR-66 (the “Project”).

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

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1 This RFQ is being publish pursuant to the Administrative Bulletin No. OE-2021-029 issued by the Governor of Puerto Rico, Hon. Pedro R. Pierluisi, on April 27, 2021, and Circular Letter No. 013-2021 issued on June 7, 2021, by the Office of Management and Budget.
Please refrain from submitting general marketing materials
I - INTRODUCTION

A. THE PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

The Authority was created pursuant to Act. No. 29 – 2009, as amended (the “Act”), as the sole entity responsible for promoting and implementing the public policy of the Government of Puerto Rico (the “Government”) with respect to the advancement of public-private partnerships (“PPPs”). The Act sets forward the framework for the completion of what are called Priority Projects (as defined by the Act) in collaboration with the Puerto Rico Fiscal Agency and Financial Advisory Authority (“FAFAA”). The goal of the Act is to enhance the development and maintenance of current and future infrastructure facilities, to allocate current and future risks between the Government and potential proponents, to improve the services and functions the Government offers, to promote job creation, and to continue promoting the social and economic development of Puerto Rico.

B. THE PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY

The Puerto Rico Highways and Transportation Authority (“HTA”) is a public corporation and government instrumentality of the Commonwealth, under the oversight of Puerto Rico’s Department of Transportation and Public Works. HTA is primarily responsible for the construction, operation and maintenance of roads, highways, and related transportation facilities in Puerto Rico, including the operation of toll roads. HTA aims to facilitate movement of vehicles and individuals; ensure access to highways in good condition; alleviate the dangers and inconveniences of traffic congestion; improve the safety of the Commonwealth's highways; and address Puerto Rico's demand for improved transportation infrastructure. HTA aims to support the economic development of Puerto Rico through an integrated transportation network, prioritizing safety, environmental responsibility, and excellent service delivery.

II – PROJECT BACKGROUND

HTA is currently responsible for the operation and maintenance of PR-20, PR-52, PR-53, and PR-66 toll roads (the “Toll Roads”). HTA is also responsible for providing the best highways, facilitating movement of vehicles, alleviating the dangers and inconveniences of congestion, improving the safety of the highways as much as possible, and confronting Puerto Rico’s demand for greater and better transportation infrastructure.

- On March 24, 2022, the Authority published a Desirability and Convenience Study (the “Study”) that determined that it is advisable to procure for a public-private partnership for the Project. The Study considers a variety of public private
partnership ("PPP") options that aim to solve HTA’s historical challenges, including the need to pay for required capital investments and to address HTA’s outstanding debt situation. Following the conclusion and approval of the Study, the Authority initiated all procedures necessary pursuant to the Act to formulate and execute the Project, whose main objectives are listed below (in no order of preference or importance):

- Improve budget certainty and address HTA’s fiscal situation;
- Modernize the existing infrastructure and improve the quality of Toll Roads;
- Improve mobility, accessibility, and safety for users of the Toll Roads;
- Increase revenue opportunities through reduced leakage, optimizing fare collection, and better aligning toll rates to costs;
- Accelerate capital improvements in the Toll Roads and limit risks in the delivery of improvements.

Map of Puerto Rico's PR-20, PR-52, PR-53, and PR-66 Toll Roads

III – SCOPE OF WORK

The Financial and Strategic Advisor (the “Advisor”) of the Project will review and evaluate the scope of work, assess the Project’s financial options, and assist in the preparation of documents, information, agreements, etcetera, as per the Authority's
request. The Authority is seeking quotes from qualified firms to provide, including but not limited to, the following services (“Scope of Work”):2

- Provide services directly related to all financing aspects of the Project;
- Provide as-needed financial advice regarding market conditions and trends, financial products, credit and credit analysis, and alternative financing in connection with the Project;
- Assist and provide recommendations regarding HTA’s capital financing needs related to capital planning and improvement program needs;
- Assist in the development and evaluation of Request for Proposals, and other bidding documents related to the Project;
- Review the terms, conditions and structure of respondents and/or proponent’s proposals and provide suggestions and modifications where appropriate;
- Assist and advise in negotiations with respondents and/or proponents financing groups regarding pricing and final terms of any proposal and make definitive recommendations regarding any proposed offer;
- Optimize, scrutinize and possibly audit financial models submitted by proponents;
- Ensure that all financial aspects of the proponents’ solutions meet the requirements for submitting a proposal;
- Evaluate and advise on financial proposals terms and pricing, structure transactions, etc.;
- Assist in the preparation of official statements or other necessary transaction documents;
- Develop benchmarking of financial terms with comparable projects and assist with negotiations of final terms for the Project;
- Develop financial evaluation criteria and financial submission requirements for financial elements of the Project;
- Develop, prepare, and present financial briefing materials and reports to ensure communication with the responsible governmental entity and other key stakeholders of the Project;
- Advise on bankability issues raised by the public private partnership Agreement (“PPP Agreement”) and affordability limitations for the Project;
- Provide information, including verbal presentations and written materials, to responsible governmental entities and other governmental stakeholders on alternatives that can achieve cost savings or revenue generation, tax structures, risk allocation, and procurement strategies in connection with the Project;
- Coordinate with lenders and other participants the timing and process of the debt issuance, if any, in connection with the Project;
- Assist in the negotiation of the terms or the evaluation of bids with lenders including preparations for and participation in discussions and meetings with underwriters, if any;

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2 This Scope of Work shall be performed in collaboration with the Authority’s advisors for the Project, which include, but are not limited to, legal, technical, financial, and strategic consultants.
• Prepare and participate in creditor and investor presentations for debt sales or exchanges in connection with the Project;
• Participate in rating agency and investor presentations, as needed and if any;
• Assist the Authority throughout the procurement process, including but not limited to, commercial and financial closing of the Project.

IV – PREPARATION AND SUBMISSION OF THE SOQ

Each Statement of Qualification (“SOQ”) must be submitted in compliance with the requirements of this RFQ. Each SOQ must respond to the items listed below. SOQs should be prepared and presented in a simple manner, providing a straightforward, concise description of capabilities to satisfy the requirements of the SOQ. Emphasis should be placed on completeness and clarity of content.

A. LANGUAGE

The SOQ and all accompanying documents shall be in English.

B. FORMAT OF RESPONSE

SOQs shall be clear and concise, avoiding the use of promotional materials and focused on completeness and responsiveness. For ease of review, the SOQs must be limited to 15 pages or less (exclusive of firm profiles, appendices, and disclaimers, conflicts of interest and cover pages) with a minimum font size of 11 pts. Excess pages and extraneous materials or appendices will detract from the overall evaluation of the SOQ and will be rejected by the Authority.

C. KEY DATES AND SUBMISSION

The SOQ is due via email on or prior to 5:00 p.m. (AST) on July 15, 2022. Responses must be submitted to the following email address: advisors@p3.pr.gov, and directed to Fermín E. Fontanés Gómez, Esq., Executive Director.

Responses to the RFQ submitted beyond the prescribed deadline will not be accepted. The Authority reserves the right not to consider responses to the RFQ or revisions after the response due date. The RFQ Award Date is at the discretion of the Authority.

Respondents authorized to do business in Puerto Rico must include with their submission the Certification of Eligibility of the Unique Registry of Professional Services Providers (known in Spanish as “Certificado de Elegibilidad del Registro Único de Proveedores de Servicios Profesionales”), issued by the General Services Administration.

D. VALIDITY OF THE RESPONSE

The response shall be valid for a period of not less than 30 days from the prescribed RFQ due date.
E. INTERVIEWS

The Authority may (but is not required to) conduct oral interviews with respondents to aid in the short-listing of candidates to be selected or to clarify or expand upon specific items included in the proposals.

F. RATES / FEE STRUCTURE

The SOQ must provide a full explanation of Respondent’s pricing structure. All prices shall be quoted in United States dollars. Respondent is required to provide one overall fixed quote or estimate for performing the entire Scope of Work contemplated in this RFQ, up until the execution of the PPP Agreement (“Closing of the Transaction”).

In submitting the SOQ, the Respondent acknowledges that (i) the award of this procurement will result in a contingency-based contract; (ii) Respondent will receive payment for its services only upon Closing of the Transaction; and (iii) Respondent will not have any recourse against the Authority (or the Government), either in law or equity, for payment of services performed as a result of the award hereunder, should the procurement process for the Project be canceled or terminated, for any reason, at any stage prior to the Closing of the Transaction.

G. CONTENT OF THE RESPONSE TO THE RFQ

1. DESCRIPTION OF THE FIRM

Provide a brief overview of your firm and its primary areas of business.

2. EXPERIENCE AND QUALIFICATIONS RELATED TO THE SCOPE OF WORK AND REQUIRED EXPERTISE

Provide a summary of the firm’s experience in the required areas of expertise listed above. Provide brief case studies of relevant situations and/or PPP projects in which your firm or key members of your team as identified in item 3 below, were instrumental in conducting successful advisory.

3. LISTING OF INDIVIDUALS TO BE ASSIGNED TO THE AUTHORITY AND PUBLIC CORPORATIONS’ ACTIVITIES

Indicate key personnel who will be assigned to this Project and provide a brief description of the experience of each (including language skills) and their specific roles under the prospective Scope of Work. Key personnel are defined as those who will be assigned and performing the actual services or a portion of them. Include a description of their relevant experience and any history of working in Puerto Rico. Provide an organization chart for your team with the designation of primary leadership and day-to-day professionals.
Responses to the RFQ should also contain a description of any prior work done for the Government or any of its Public Corporations in the past five (5) years. Please provide information related to involvement in litigation and/or investigations related to the Government, if any.

4. CONFLICT OF INTEREST

To allow the Authority to conduct an initial assessment of potential conflicts of interest, please provide:

- A list of any other current or former advisory contracts your firm has/had with any public entity in Puerto Rico.
- A description of any infrastructure investments or infrastructure funds that your firm or a subsidiary/affiliate of your firm may currently hold.
- A description of any recent historical or ongoing legal proceedings, interviews or investigations being conducted by any U.S. law enforcement agencies involving your firm that are related to transactions executed in or on behalf of the Commonwealth and/or its Public Corporations.
- A brief description of any work you have performed for any creditors or guarantors of Public Corporation debt about their positions in Puerto Rico debt obligations. Indicate whether this activity is ongoing, and if not, when the prior assignment concluded.

The Authority may request additional information on the individual conflict of interests that employees and/or professionals of Respondent that are expected to work with the Authority, or that Respondent’s principals may have. Also, the Authority may request a list of direct or indirect connections the firm or its professionals have to the management of the Authority, HTA, or their respective Board Members.

5. PROPOSED APPROACH

Briefly describe your firm’s proposed approach to providing the Services and how that approach will offer value to the Authority and HTA.

6. REFERENCES

Provide contact information for references for three (3) separate past advisory assignments that are directly related to the establishment of PPPs (this is not limited to PPPs in Puerto Rico). References must be submitted following the format in Appendix A.
V - EVALUATION CRITERIA

SOQs will be evaluated based on the following criteria:

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<th>Criteria</th>
<th>Assigned Weight</th>
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<td>Expertise and qualifications (members of the team, proven track record);</td>
<td>20%</td>
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<td>Compliance with proposal elements as specified in Section IV</td>
<td>15%</td>
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<td>Proposed fee and fee structure</td>
<td>30%</td>
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<td>List of Individuals Assigned to Activities</td>
<td>10%</td>
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<tr>
<td>Previous experience in similar engagements</td>
<td>10%</td>
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<tr>
<td>References</td>
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<td>Approach to the engagement</td>
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<tr>
<td>Timeliness, clarity, and completeness of SOQs</td>
<td>5%</td>
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SOQs will be scored by multiplying the score received in each category by its assigned weight and adding all categories together for the Respondents Total Score. Representative Numerical values are defined as follows:

DOES NOT MEET (0 PTS.): Response does not comply substantially with requirements or is not provided.

WEAK TO MEETS (1 PT.): Response indicates the objectives will not be completely met or at a level that will be below average.

STRONG (2 PTS.): Response indicates the objectives will be exceeded.
VI - DISCLOSURES

A. GENERAL DISCLOSURES

This RFQ 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 RFQ in part or in its entirety, without further notice, explanation or clarification.

The Authority reserves the right to terminate any contract entered into as a result of this RFQ 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 RFQ, submission of a response by any firm, and the acceptance of such response by the Authority does not obligate the Authority or Respondent in any manner. Legal obligations will only arise upon the execution of a formal contract by the Authority and the selected firm. This RFQ does not constitute a promise or guarantee of engagement by the Authority, and in no way limits the Authority, HTA, and/or the Commonwealth’s authority to engage any other organization or firm, as needed.

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 respondent in any manner, under any circumstances, including without limitation, as a result of the termination of the RFQ 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 RFQ may be updated, supplemented or amended at any time by the Authority. The Authority will distribute such updates, supplements or amendments to all Respondents.

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

Respondents should be aware that in the event that the Authority decides to enter into a contract, such contract may require, when applicable, the approval of the Board of Directors of the Authority, and the Fiscal Oversight and Management Board (“FOMB”) pursuant to, among other things, FOMB’s Contract Review Policy, as amended.

B. CONFIDENTIAL AND PROPRIETARY INFORMATION

All SOQs, evaluations and the content of any discussions shall be kept strictly confidential throughout the evaluation and award process. The Authority and/or the Government may request and use, at their discretion, assistance from outside consultants during the evaluation process of the SOQs. A copy of each SOQ will be retained for the Authority’s files. If a Respondent considers that its SOQ contains material that is confidential and/or proprietary, the Respondent must clearly note or mark each section of material as confidential and/or proprietary. The Authority will determine whether such material meets the requirements for an exemption from disclosure. If so, that information will not be disclosed pursuant to a request for public documents. 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. It is the responsibility of Respondents to be thoroughly informed and familiar with the requirements of disclosure of public documents. Furthermore, by responding to this RFQ, Respondents acknowledge and agree that the Authority will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties. It is the responsibility of the respondent, as the real party in interest, to object any disclosure and defend any action that may be necessary to protect its confidential information.
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<td>Project Duration</td>
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<td>Project’s Budget</td>
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<td>Firm’s Role</td>
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<td>Key Personnel</td>
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<td>Contact Information</td>
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