



GOVERNMENT OF PUERTO RICO
Ports Authority

Request for Qualifications

Puerto Rico Ports Authority

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I. OVERVIEW OF RFQ PROCESS

1.1. Introduction

The Puerto Rico Ports Authority (the “Authority”), a public corporation and governmental instrumentality of the Government of Puerto Rico, is issuing this Request for Qualifications (as the same may be from time to time amended, modified or cancelled, the “RFQ”) to request qualifications from highly qualified and experienced operators (“Respondents”) to provide operations and maintenance services at its nine (9) regional airports (the “Regional Airports”) located at Arecibo, Aguadilla, Culebra, Vieques, Humacao, Mayagüez, Ponce, Ceiba and San Juan (Isla Grande) (the “Project”).

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

- a) The Puerto Rico Ports Authority Act, Act Number 125 of May 7, 1942, as amended;
- b) The Puerto Rico Ports Authority Regulation for Request for Auctions and Request for Proposal, Regulation Number 8981, dated July 7, 2017, as amended; and
- c) The Professional Service Act, Act Number 237 of August 31, 2004, as amended.

In addition, the Government of Puerto Rico’s Financial Information and Operating Data Report is accessible at <http://www.aafaf.pr.gov/>.

1.2. Definitions

“Act” means Act Number 125 of May 7, 1942, as amended, known as the “Puerto Rico Ports Authority Act”.

“Advancing Firms” or “Shortlisted Respondents” means the Respondents that based on their SOQ are qualified pursuant to this RFQ to participate in the RFP process.

“Authority” means the Puerto Rico Ports Authority.

“BQN” means Aguadilla’s Rafael Hernández International Airport.

“Claims” shall have the meaning set forth in Section 4.12 hereto.

“Commonwealth” means the Commonwealth of Puerto Rico.

“Evaluation Committee” means a Committee designated as provided in the Regulation to evaluate and select qualified persons and subsequently the proponents to establish and negotiate the terms and conditions it deems appropriate for the corresponding O&M Contract.

“Evaluation Criteria” shall have the meaning set forth in Section 3.2 hereto.

“FAA” means the Federal Aviation Administration.

“FAA Commercial Certified Airports” shall have the meaning set forth in Section 3.2 hereto.

“FAA Part 139 Equivalent Certified Commercial Airports” shall have the meaning set forth in Section 3.2 hereto.

“GA” means General Aviation.

“Government” means the Government of Puerto Rico.

“O&M Contract” shall have the meaning set forth in Section 2.3 hereto.

“Preferred Proponent” shall have the meaning set for thin Section 1.5 hereto.

“Private Operator” or “Contractor” shall have the meaning set forth in Section 2.4 hereto.

“Project” shall have the meaning set forth in Section 1.1. hereto.

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

“PSE” means Ponce’s Mercedita International Airport.

“Regional Airports” means the nine (9) regional airports located at Ponce, Arecibo, Aguadilla, Culebra, Vieques, Humacao, Mayaguez, Ceiba and Isla Grande in San Juan.

“Regulation” shall have the meaning set forth in Section 1.3 hereto.

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

“RFC” means a “Request for Clarification” with respect of this RFQ.

“RFC Deadline” shall have the meaning set forth in Section 1.8 hereto.

“RFQ” means this Stage 1 Request for Qualifications and all addenda.

“RFQ Process” shall have the meaning set forth in Section 1.5 hereto.

“RFP” shall have the meaning set forth in Section 1.5 hereto.

“RFP Process” shall have the meaning set forth in Section 1.5 hereto.

“Shortlisted Respondent” means a Respondent that is selected as part of this RFQ process to participate in the RFP process.

“SJU” means San Juan’s Luis Muñoz Marin International Airport.

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

“Submission Address” shall have the meaning set forth in Section 1.7 hereto.

“**Submission Deadline**” shall have the meaning set forth in Section 1.7 hereto.

“**Team Member**” means a member of a Respondent. For the purpose of this Project, Team Members shall include, without limitation, each of the following with respect to a Respondent:

- Each person, partnership, company or legal entity that is formally or informally reviewing the Project and intends to participate as a potential equity investor in the Proponent that will execute the O&M Contract for this Project. This will include (without limitation) the ultimate owner or holding company of any such investor or, in the case of a managed fund or pension plan, the manager of the fund or pension plan;
- Operations and maintenance firm(s); and
- Each subcontractor performing services estimated to exceed \$500,000 and any subcontractor that is providing proprietary technology or specialized skills that are important to the Project and cannot be readily acquired from another contractor.

1.3. The Authority’s Background

The Authority was created pursuant to Act Number 125 of May 7, 1942, as amended, known as the “Puerto Rico Ports Authority Act” (the “Act”). The Act establishes that the Authority is a public corporation and governmental instrumentality of the Government of Puerto Rico, governed by a Board of Directors.

The Authority was created with the purpose to develop, improve, own, operate, and manage any and all types of air and/or maritime transportation facilities and services, as well as to establish and manage systems of mass marine transportation by itself, or in coordination with other governmental, corporate or municipal entities, to and from the Commonwealth of Puerto Rico (“Puerto Rico”), to promote the economy by means of the most beneficial method, and encourage thereby, the general welfare of Puerto Rico in order to increase trade and prosperity.

The Act grants the Authority any and all rights and powers that are necessary or desirable to give effect to the above referenced purpose. Specifically, the Authority issues this RFQ pursuant to the Act and Regulation Number 8981 (the “Regulation”).

1.4. Functions of the RFQ

This RFQ, issued under Article IX of the Regulation, may be amended at any time through the publication of addenda which shall be made available to prospective Respondents.

As part of the Government of Puerto Rico’s commitment to reduce public costs and improve the efficiency and quality of services, the Authority issues this RFQ to airport operators interested in operating and maintaining the Authority’s Regional Airports network. Statement of Qualifications (“SOQ”) should provide for fulfilment of the Authority’s objectives in outsourcing the operation of the Regional Airports currently managed by the Authority’s Aviation Bureau, including: (i) better alignment of existing airport infrastructure with airport business plans; (ii) enhancing operations and maintenance; (iii) incentivizing economic growth outside of the San Juan metropolitan area; and (iv) attracting more passenger and cargo traffic to Puerto Rico. Only the Respondents whose qualifications, conforming to this RFQ, are most advantageous to the

Authority and the Government will be shortlisted and invited to participate in the Request for Proposals (“RFP”). Financial terms and other factors further described herein will also be considered. The Authority reserves the right to shortlist the number of Respondents it deems most appropriate to proceed to a following RFP stage, up to a maximum of five (5) Shortlisted Respondents. If no Respondent meets the standards determined by the Authority, the RFQ process may be, in the Authority’s discretion, be cancelled.

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

This RFQ is being issued in anticipation of an RFP to be issued by the Authority for the Project, in order to identify those Respondents that meet the minimum requirements necessary to comply with the Act, the Regulation and the objectives of the Authority in outsourcing the operation of the Regional Airports.

This RFQ process shall enable the Authority to shortlist the best qualified Respondents based on financial and technical criteria further explained in Section 4.3 of this RFQ.

1.5.Process and Schedule

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

Stage 1- RFQ Process (Qualification Stage)

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

During this stage, Respondents shall submit their SOQ pursuant to this RFQ. The RFQ Process is a standalone and independent stage that is completed once the Shortlisted Respondents are identified by the Authority and all Respondents have received notice from the Authority as to the results of the RFQ Process.

Stage 2- RFP Process (Binding Bid Stage)

The RFP Process is the competitive procurement process that follows the RFQ Process. The RFP Process is intended for Shortlisted Respondents only, and shall result in the selection of a preferred proponent (“Preferred Proponent”), as defined herein, for the Project.

Stage 3- Implementation of the Project Agreement

Once the Preferred Proponent and the Authority have completed the negotiations and executed the Project Agreement, as defined herein, the Project will proceed in accordance with the terms and conditions of the Project Agreement.

A summary schedule of the major activities associated with the procurement process is presented below. At present, it is envisioned that the timetable will follow the schedule included below. Respondents are advised, however, that certain steps will require, at the RFP stage, the involvement by various parties, such as the FAA, subsequent approval by the Fiscal Oversight and Management Board, and the review of certain elements of the contract structure by certain federal agencies. The U.S. Government approval may also be required pursuant to laws and regulations governing national security or foreign control of critical infrastructure in the United States, including under the Foreign Investment and National Security Act of 2007 (“FINSAs”) and the Exon-Florio review process (i.e., the Committee on Foreign Investment in the United States), also known as the “CFIUS” process, as amended, including under the Foreign Investment Risk Review Modernization Act of 2018. While the Authority will use its best efforts to adhere to the proposed timeline, it reserves the right to change the timetable at any time during the process and notify Proponents through an addendum to this RFQ.

March 15, 2019	Date of issuance and first publication of public notice of RFQ by the Authority.
April 5, 2019	Due date for submission of SOQs no later than 3:30 p.m. (15:30) AST.
April 19, 2019	Estimated Date for Notification of Shortlisted Respondents (note that this date may be subject to change).

Pursuant to the Regulation, the Evaluation Committee appointed for the procurement of the Project shall review and evaluate all the SOQs submitted by each Respondent in connection with this RFQ in order to determine which Respondents shall be shortlisted to become participants in the RFP Process. Once the Evaluation Committee reviews and evaluates all SOQs, it will notify the list of Shortlisted Respondents.

Respondents that are shortlisted by the Evaluation Committee and decide to participate in the RFP Process will have the opportunity to conduct a thorough due diligence, after signing a Non-Disclosure Agreement to ensure the protection of confidential information that will be shared with the Shortlisted Respondents, a form of which will be provided to the Shortlisted Respondents.

Once a Shortlisted Respondent has executed the Non-Disclosure Agreement, it will have the opportunity to conduct the necessary due diligence for the Project through:

- a) Receipt and review of the RFP for the Project, which will include information about the Regional Airports and a draft of the Project Agreement. The Project Agreement will address, among other matters: (i) all of the rights and obligations of the operator during

- the term of the Project Agreement; and (ii) a detailed and comprehensive description of the Project, including draft operations and maintenance standards, key performance indicators, compensation structure, among other content;
- b) Access to a data room. This data room will appear online and is intended to provide detailed information on the Project, which may include:
 - i. Detailed description of the Regional Airports;
 - ii. Operational and maintenance program guidelines;
 - iii. Demand analysis;
 - iv. Site and environmental analysis;
 - v. Historical data, including costs of operating each of the Regional Airports;
 - vi. Existing contracts; and
 - vii. Other relevant information and requirements.
 - c) Site visits; and
 - d) A review of, and discussion relating to, the proposed Project Agreement and related documents.

A more detailed description of the RFP Process, together with a more detailed timetable, will be provided in the RFP.

1.6. Consortia

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

Please note the following with respect to Respondents:

- a) Except as specifically provided to the contrary in this RFQ, no Team Member may join or participate, directly or indirectly, as a Team Member in more than one (1) Respondent for this Project. Each person or legal entity who participates as a Team Member is responsible for ensuring that no other person or legal entity which is “Related” to it joins or participates, directly or indirectly, as a Team Member in any other Respondent. Unless otherwise provided herein, any violation of this provision shall disqualify the Respondents and its Team Members; and
- b) A person or company is “Related” to another person or legal entity if:
 - i. One may exercise Control over the other; or
 - ii. Each is under the direct or indirect Control of the same ultimate person or legal entity.

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

Each of the Team Members shall ensure compliance with all licensing and other requirements under applicable laws with respect to the services to be provided by such Team Member.

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

The Authority intends to issue the RFP only to Shortlisted Respondents. If, for any reason, after the Submission Deadline and prior to the notification of the Advancing Firms and the issuance of the RFP, a Respondent wishes or requires to: (i) change any Team Member listed in the Respondent's RFQ submission (either by adding new members, removing listed members or substituting new members for listed members); or (ii) materially change the ownership or Control of a Respondent or a Team Member, then, in each case, the Respondent must submit a written application (with such information as the Evaluation Committee may require) to the Evaluation Committee seeking its consent to the proposed change, which consent may be withheld or delayed in the absolute discretion of the Evaluation Committee. Without limiting the foregoing, the Evaluation Committee may refuse to consent to a change to a Respondent or its Team Members and/or may disqualify the Respondent from further participation in the procurement process if, in the sole opinion of the Evaluation Committee, the change would result in a weaker Respondent or Respondent team than that which is listed in the Respondent's SOQ or result in the Respondent or the Respondent team being materially different from the Respondent, or evaluating the application for a change would delay the qualification process, or for any other reason the Evaluation Committee may deem detrimental to the process, the Project, or the Authority.

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

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

1.7.Deadline:

Those interested in becoming Shortlisted Respondents must submit their SOQ in response to this RFQ no later than **April 5, 2019 at 3:30 p.m. (15:30) (AST) (the "Submission Deadline")**.

SOQ submissions must be received by the Authority no later than the Submission Deadline at the address and in the manner set out in Section 4.5 below (the "Submission Address"). The Authority will not accept SOQ submissions sent by facsimile, telex or other telegraphic means. It is the sole responsibility of each Respondent to ensure that its SOQ submission is delivered to the Submission Address in the manner specified in Section 4.5.

1.8.Clarifications and Communications Protocol

Respondents may submit a request for clarification ("RFC") to the Authority for explanation or interpretation of any matter contained in this RFQ. Any such RFC from a Respondent must be

made in writing. Respondents should note, however, that the Authority is under no obligation, and makes no commitment, to respond to any RFC or offer any clarification as a result of any RFC submission. Responses or clarifications to any RFC will be made at the sole discretion of the Authority.

If the Authority provides any clarification as a result of an RFC, it will provide such clarification by means of a written document delivered to all Respondents. Respondents should note the following regarding requests for clarification:

Respondents may make inquiries only by submitting questions or RFCs to the e-mail address of the Evaluation Committee (the “Evaluation Committee Contact”) at regionalairports@prpa.pr.gov no later than March 26, 2019 (the “RFC Deadline”). Questions submitted to anyone other than through the Authority Contact by any means other than the provided e-mail will not be answered.

Any Respondent that has questions as to the meaning of any part of this RFQ or the Project, or believes that the RFQ contains any error, inconsistency or omission, must submit its concern, in writing, to the Evaluation Committee Contact in accordance with this Section 1.8. The Authority may, in its absolute discretion, provide all submitted questions or RFCs, along with the Authority’s answers thereto, to all Respondents without expressly identifying the originator. The Authority will not respond to Respondents’ questions or RFCs that are not submitted in accordance with this Section 1.8.

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

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

1.9.No Collusion or Lobbying

The Authority is committed to a fair, open and transparent selection process.

No Collusion

Respondents and Team Members will not discuss or communicate, directly or indirectly, with any other Respondent(s) or any director, officer, employee, consultant, advisor, agent, representative or Team Member of any other Respondent regarding the preparation, content or representation of their SOQs. SOQs will be submitted without any connection (i.e., arising through an equity interest (other than an equity interest that does not represent a Controlling interest in an

entity, as determined by the Authority from time to time) in or of a Respondent or Respondent Team Member), knowledge, comparison of information, or arrangement, with any other prospective Respondent or any director, officer, employee, consultant, advisor, agent, representative or Team Member of any other prospective Respondent.

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

Respondents shall be required to execute the certification attached hereto as Appendix A.

No Lobbying

Respondents, and their Team Members and their respective directors, officers, employees, consultants, agents, advisors and representatives, will not, except as expressly contemplated by this RFQ, or as expressly directed or permitted by the Authority, attempt to communicate directly or indirectly with any representative of the Authority, except in the event of an RFC or other official communication following the communications protocol indicated in Section 1.8, or the Government in relation to the Project or the RFQ Process, at any stage of this RFQ Process, including during the evaluation process. The Authority reserves the right to disqualify a Respondent that contravenes this provision.

Confirmation of Intention

Respondents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information to the Evaluation Committee via e-mail at regionalairports@prpa.pr.gov. Respondents may not contact any officials or related parties of the Authority via telephone or otherwise. Such contact may serve as grounds for disqualification.

II. PROJECT DESCRIPTION

2.1. Puerto Rico

Puerto Rico is a United States jurisdiction that is strategically located in the Atlantic Ocean and the Caribbean Sea. Puerto Rico's constitutional status is that of a Commonwealth of the United States. The United States and Puerto Rico share a common military defense, market, currency and citizenship.

The people of Puerto Rico are citizens of the United States. According to the 2010 U.S. Census, the population of Puerto Rico is approximately 3,725,789 people. In terms of human capital, the Island has a highly educated and bilingual workforce. Spanish and English are the official languages.

There are no passports or visas necessary for United States citizens traveling to Puerto Rico. United States citizens can travel freely in and out of the Island without going through immigration or customs. Citizens of other countries are subject to the same passport and visa requirements for entering Puerto Rico as for entering the United States mainland. Furthermore, the U.S. Department of State has recently opened an office in San Juan, Puerto Rico, which provides a wide variety of passport services, which include the issuance on site and on an expedited basis, of U.S. passports.

The mail service in Puerto Rico is provided by the United States Postal Service. Local branches are abundant (there are more than five in the San Juan area alone). Other international carriers such as FedEx, UPS and DHL, provide mail, logistic and package services in Puerto Rico and also have various offices in San Juan.

Puerto Rico has a diversified economy with manufacturing and services comprising its principal sectors. Puerto Rico's economy is closely linked to the United States' economy. In fiscal year 2017, Puerto Rico's gross national product was \$70.6 billion, and personal income per capita was \$16,748. As a business destination, Puerto Rico offers the security and stability of operating in a U.S. jurisdiction with an unrivalled array of tax incentives that make it a compelling destination for businesses.

Puerto Rico is considered part of the United States for purposes of U.S. custom duties and immigration. However, Puerto Rico is not considered part of the United States for U.S. income tax purposes. Consequently, no federal income tax is collected from Puerto Rico residents on income sourced in Puerto Rico, except for the income of certain federal employees who are subject to federal income taxes on their salaries. Most federal taxes, except for certain payroll taxes, are not levied in Puerto Rico.

Puerto Rico not only enjoys fiscal advantages, but offers a comprehensive physical infrastructure. Puerto Rico has highly developed highway, port and airport systems, which allow fast movement of merchandise across and beyond the Island. It also has a state-of-the-art communication network providing Island-wide access to wire and wireless telecommunications, Internet and cable service. Moreover, its location in the Caribbean, midway between Europe, North America and South America, makes Puerto Rico the perfect destination for the development of the proposed Project.

The Island, with an area of 3,435 square miles (9,000 sq. km) — 110 miles long by 39 miles wide — has a mountainous interior and is surrounded by a wide coastal plain where the majority of the population lives. Rainfall averages 69 inches (175 cm) per year and year-round temperatures range from 74°F (23°C) in the winter to 81°F (27°C) in the summer.

Puerto Rico is the easternmost of the Greater Antilles (18 15' N, 66 30' W), and the fourth largest island in the Caribbean. The Island is located at the crossroads between North and South America, at just three and a half (3.5) hours airtime from New York City, two (2) hours from Miami and Panama City, and one (1) hour from Caracas. Puerto Rico has daily nonstop flights to the main cities in the United States and the Caribbean, as well as direct weekly flights to and from major cities in Canada, Europe and Latin America.

The Authority owns a total of ten (10) airports. Air cargo and passenger traffic in Puerto Rico is dominated by the San Juan Luis Muñoz Marín International Airport (IATA: SJU / ICAO: TJSJ / FAA LID: SJU) (hereafter “SJU”). SJU is currently being operated through a public-private concession for a forty (40) year term until 2052. The Authority directly operates the remaining nine (9) airports, object of the Project. The Aguadilla (IATA: BQN / ICAO: TJBQ / FAA LID: BQN) (hereafter “BQN”) and Ponce (IATA: PSE / ICAO: TJPS / FAA LID: PSE) (hereafter “PSE”) regional airports feature commercial flights and operate under a Part 139 certificate issued to the Authority by the Federal Aviation Administration (“FAA”). The other seven (7) airports are general aviation facilities (“GA”).

2.2. Finances

In June 2015, the Government created a working group tasked with analyzing the fiscal and economic situation of Puerto Rico. After a series of studies and analyses, this working group estimated Puerto Rico’s consolidated budget and financing gap (including required pension payments and debt service on tax-supported debt) to be approximately \$59 billion between fiscal years 2017 and 2026.

The Government’s balance sheet deterioration, coupled with continued structural budget imbalances, and a lack of continuity and execution capacity in fiscal and economic plans led to the loss of capital markets access in 2015, limited the Government’s ability to make necessary infrastructure maintenance and improvements investments, and meet scheduled debt service payments. Governor Ricardo A. Rosselló took office on January 2, 2017 and has since delivered a ten (10) year fiscal plan that as a central tenet seeks to attract private investment and spur Puerto Rico’s economic development.

2.3. 2017 Hurricanes and Recovery Efforts

Two devastating hurricanes, Irma and Maria, recently struck Puerto Rico. They left much of the infrastructure in Puerto Rico damaged or unusable. The National Oceanic and Atmospheric Administration’s Office for Coastal Management approximated that Hurricane Irma and Maria caused damages of roughly \$50 billion to \$90 billion respectively.

As Puerto Rico moves forward, it sees the recovery effort as not just an opportunity to rebuild what was damaged, but to use recovery investments to transform Puerto Rico by implementing solutions that: (i) are cost-effective and forward-looking; (ii) harness innovative thinking and best practices from around the world; and (iii) contribute to greater economic development, revitalization, and growth (in alignment with broader Government of Puerto Rico efforts to achieve fiscal and economic stability) as well as enhanced human capital.

Puerto Rico will move forward in its economic and disaster recovery by investing in infrastructure, people, and the environment. Federal funds from the Federal Emergency Management Agency (“FEMA”) will go some of the way to achieving this vision. But to fully deliver upon all of the economic, infrastructure, and societal goals identified by the Government, private sector creativity and resources will need to be harnessed. Hence the Authority is exploring the externalization of the Regional Airports through an operations and maintenance contract (the “O&M Contract”) as a means to achieve these goals sooner than would be possible with public financing and management.

2.4. Project Goals and Objectives

The goal of the Authority, through the Project, is to develop and promote Puerto Rico as a transportation center with world class air service in order to effectively compete in the international trade market. Moreover, the Authority seeks to improve the current financial situation and assure long-term financial wellness.

As part of the Project, the Authority is intent on entering into an O&M Contract with a private sector operator (“Private Operator” or “Contractor”) to achieve the following objectives for the Regional Airports:

- a) Increase operational and maintenance efficiency and reduce costs of the regional airport network;
- b) Retain proven expertise and experience in the operation and maintenance of regional commercial and general aviation airports;
- c) Optimize the use of the regional airport network and improve commercial performance; and
- d) Incentivize economic growth outside the San Juan metropolitan area by increasing air traffic and activities related to the operations and services provided by the Regional Airports.

2.5. Project Scope:

The Authority is interested in effectively transferring the following responsibilities to the future operator:

- a) Routine and preventive maintenance services of all facilities currently operated by the Authority in accordance with industry practices and standards;
- b) Operation and maintenance of all facilities at PSE and BQN in compliance with FAA’s Part 139 certification requirements;
- c) Operation and Maintenance of all airport facilities currently run by the Authority in accordance with FAA requirements for all airports in the network;
- d) Airport security and Aircraft Rescue and Firefighting (“ARFF”) services as applicable;
- e) Management and administration of airport agreements, licenses and leases with tenants and airport concessionaires and to the extent applicable or permissible, obtain better and improved terms and conditions in new and existing agreements;
- f) Preparation of air traffic reports and statistics;
- g) Purchase of airport equipment and materials;
- h) Administrative support functions, invoicing and accounting;
- i) Advising the Authority with respect to recommended capital improvements in the short and medium term; and
- j) Improving the general conditions of the Regional Airports and their operations to facilitate a potential future long-term concession of the Regional Airports.

In general terms, the Contractor shall act as the Authority’s agent in carrying out its activities. It is anticipated that the O&M Contract for the Project will have a minimum term of seven (7) years with a possible three (3) year extension for a total duration of up to ten (10) years.

2.6. Payment Mechanism:

The principal payment mechanism for the Contractor's services shall be a fixed fee payment (subject to customary inflation, force majeure and change in law adjustments) agreed to be paid to the Contractor with possible additional incentives based on Key Performance Indicators ("KPIs"). Respondents should note that portions or all of the facilities that are the subject of this RFQ may have been financed with tax-exempt bonds issued under the provisions of the United States Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, any proposed transaction may need to comply with the applicable requirements limiting "private use" that may be applicable under the Code, including (but not limited to) rules relating to "management contracts" or "remedial actions" with respect to the applicable bonds.

III. RESPONDENT QUALIFICATION REQUIREMENTS & EVALUATION CRITERIA

This RFQ is available for Respondents that desire to participate in the RFP for the Project. All SOQs will be reviewed based on the requirements set forth in this Section 3 of this RFQ.

3.1. General Qualification Requirements

Respondents to this RFQ shall provide information in their SOQ that demonstrate the following general qualifications:

- a) Respondent has adequate financial resources to perform the O&M Agreement, or the ability to obtain them;
- b) Respondent is able to comply with an accelerated delivery or performance schedule;
- c) Respondent has a satisfactory performance record;
- d) Respondent has a satisfactory record of integrity and business ethics;
- e) Respondent has the necessary organization, experience, accounting and operational controls, and technical skills;
- f) Respondent has experience performing responsibilities described in Sections 2.4 and 2.5 of this RFQ.
- g) Respondent is able to obtain all requisite regulatory and governmental approvals to enable the operation and management of the Regional Airports
- h) Neither Respondent nor any person or entity associated that is partnering with Respondent has been the subject of any adverse findings that would prevent PRPA from selecting Respondent. Such adverse findings include, but are not limited to, the following:
 - i. Negative findings from a Federal Inspector General or from the U.S. Government Accountability Office, or from an Inspector General in another State;
 - ii. Pending or unresolved legal action from the U.S. Attorney General or from an Attorney General in Puerto Rico or another State;
 - iii. Pending litigation with the Government of Puerto Rico, or any other State;
 - iv. Arson conviction or pending case;
 - v. Harassment conviction or pending case;
 - vi. Puerto Rico and Federal or private mortgage arrears, default, or foreclosure proceedings;
 - vii. In rem foreclosure;
 - viii. Sale tax lien or substantial tax arrears;

- ix. Fair Housing violations or current litigation;
- x. Defaults under any Federal and Puerto Rico-sponsored program;
- xi. A record of substantial building code violations or litigation against properties owned and/or managed by Respondent or by any entity or individual that comprises Respondent;
- xii. Past or pending voluntary or involuntary bankruptcy proceeding; and
- xiii. Conviction for fraud, bribery, or grand larceny.

3.2. Evaluation Criteria

To provide an objective and transparent evaluation method, the Evaluation Committee shall evaluate the SOQs by applying and weighing the criteria outlined in the table below (the “Evaluation Criteria”). Further explanations with respect to each criterion follows the table below. Application of the Evaluation Criteria will assist the Evaluation Committee in identifying the Shortlisted Respondents. If Respondent passes all criteria under Part A, then it will be evaluated with respect to criteria under Parts B and C.

	Evaluation Criteria of Eligibility	Scoring
Part A.	Legal Compliance	Pass/Fail
A.1	Submission of required documents (including Respondent Certification in Appendix A)	Pass/Fail
A.2	Airport certifications and no penalties	Pass/Fail
Part B.	Technical Capabilities	85
B.1	Operations & Maintenance (O&M) Experience	
	B.1.i. Minimum Experience in Operating, Managing and Maintaining Commercial Airports	Pass/Fail
	B.1.ii. Commercial Airports	35
	B.1.iii General Aviation Airports	17
	B.1.iv System or Network of Airports	8
B.2	Contracting Experience	15
B.3	Geographic Experience	10
Part C	Financial & Commercial Capabilities	15
C.1	Financial Capabilities Threshold	Pass/Fail
C.2	Ability to Grow Revenue and Traffic	
	Increase in Passenger or Air Traffic Movements (ATMs) for Commercial and/or Jet A fuel sales and hangar space (for GA airports).	15

A. Legal Compliance

A.1.Submission of required documents

This criterion will be evaluated on a Pass/Fail basis. Respondents shall provide a listing and brief description of all legal actions for the past five years in which any firm that is part of the Respondent's team has been: (i) a debtor in bankruptcy; (ii) a defendant in a lawsuit for deficient performance under a contract or failure to comply with laws or regulation; (iii) a defendant in an administrative action for deficient performance on a project or failure to comply with laws or regulations; or (iv) a defendant in any criminal action.

Respondents that fail to provide an executed version of the form certification found in Appendix A of this RFQ, as well as any other document required in this RFQ, or if the document(s) is (are) non-responsive, shall be considered non-eligible and their further technical and financial qualifications will not be evaluated.

A.2.Airport Certifications and No-penalties

In addition, Respondents shall provide a statement confirming that airports under their management have been certified by the local public agency responsible for airport certification and for which the agency has not imposed an administrative action or penalty or has not revoked their airport operating certificate in the last five (5) years for noncompliance with the local regulation associated with airport certification.

B. Technical Capabilities

For the preparation of SOQs, time reference for the criteria below are to be assessed on the following periods, as applicable:

- Experience in the **last five (5) years** refers to the period from January 1, 2014 to December 31,2018; and
- Experience in the **last seven (7) years** refers to the period from January 1, 2012 to December 31, 2018.

B.1.O&M Experience

Four (4) sub-criteria apply for the evaluation of O&M Experience:

B.1.i. Minimum Experience in Operating, Managing and Maintaining Certified Commercial Airports

This criterion is evaluated on a Pass/Fail basis. Respondents must demonstrate experience in operating, managing and maintaining at least:

- Two (2) FAA Part 139 Commercial Certified Airports; or
- Two (2) FAA Part 139 Equivalent Commercial Certified Airports; or
- A combination of one (1) FAA Part 139 Commercial Certified Airport and one (1) FAA Part 139 Equivalent Commercial Certified Airport

FAA Part 139 Commercial Certified Airports are airports with commercial operations that:

- Serve scheduled and unscheduled air carrier aircraft with more than 30 seats;
- Serve scheduled air carrier operations in aircraft with more than 9 seats but less than 31 seats;
- The FAA Administrator requires them to have an operations certificate; and
- Have been issued an airport operations certificate by the FAA because of their compliance with the requirements of the US 14 Code of Federal Regulations (CFR) Part 139.

A FAA Part 139 Equivalent Commercial Certified Airports is an airport that holds an equivalent airport operations certificate issued by the government entity responsible for airport certification in the country where the airport is located that is equivalent to the one issued by the FAA for US commercial airports that comply with the U.S. Part 4 CFR Part 139.

Respondents that fail to provide proper documentation including a copy of the airport's certification or other equivalent document(s) shall be considered non-responsive and will not be eligible to participate in the process.

B.1.ii. Commercial Airports O&M Experience

Respondents experience in operating, managing and maintaining FAA Part 139 Commercial Certified Airports or FAA Part 139 Equivalent Commercial Certified Airports, shall be evaluated and scored as follows:

More than two (2) FAA Part 139 Commercial Certified Airports with at least 100,000 annual enplanements, for three (3) consecutive years in the last five (5) years or FAA Part 139 Equivalent Commercial Certified Airports with at least 100,000 annual enplanements, for three (3) consecutive years in the last five (5) years under management, or a combination thereof. 30 pts.

At least two (2) FAA Part 139 Commercial Certified Airports with at least 100,000 annual enplanements, for three (3) consecutive years in the last five (5) years or FAA Part 139 Equivalent Commercial Certified Airports with at least 100,000 annual enplanements, for three (3) consecutive years in the last five (5) years under management, or a combination thereof. 20 pts

B.1.iii. General Aviation Airports Operations and Maintenance Experience

Respondents must show experience in operating and maintaining General Aviation (GA) airports with specific minimum annual operations or a minimum sale of gallons of fuel for three (3) consecutive years in the last five (5) years, as follows:

At least one (1) airport having more than 100,000 annual GA operations and annual fuel sales of more than 1 million gallons of Jet A Fuel or three (3) airports with more than 20,000 annual operations and annual fuel sales of more than 80,000 gallons of Jet A Fuel, each 17 pts.

At least one (1) airport having more than 80,000 annual operations and annual fuel sales of more than 500,000 gallons of Jet A Fuel or two (2) GA airports with more than 20,000 annual operations and annual fuel sales of more than 40,000 gallons of Jet A Fuel, each 12 pts.

At least one (1) GA airport having more than 50,000 annual operations and annual fuel sales of more than 300,000 gallons of Jet A Fuel or one (1) GA airport having more than 20,000 annual operations and annual fuel sales of more than 20,000 gallons of Jet A Fuel 6 pts.

No airport meeting the more than 50,000 annual operations and annual fuel sales of more than 300,000 gallons of Jet A Fuel or no GA airport with more than 20,000 annual operations and fuel sales of more than 20,000 gallons of Jet A Fuel 0 pts.

Aircraft operations relates to operations exclusively of general aviation aircraft, excluding touch-and-go training operations, either in a dedicated GA/public airport or airfield or combined with operations at a commercial airport.

B.1.iv. Network Experience

Respondents shall detail any experience in operating and maintaining a group of airports, owned or leased by the same entity, contractually bundled, either in the form of a

management/O&M contract, lease contract or a long-term concession agreement, for three (3) consecutive years in the last seven (7) years, as follows:

Airport network of two (2) or more bundled facilities in portfolio	8 pts.
No airport network in portfolio	0 pts.

B.2. Contracting Experience

Respondents must show experience in operating commercial and GA airports under a concession and/or O&M contract structure. A compliant concession or O&M Contract for this criterion is a contractual agreement under which the Respondent (either directly or through an affiliate) is responsible for the operation and maintenance of an airport with at least a five (5) year duration, completed or active within the last seven (7) years and with at least three (3) consecutive years of duration occurring within the last seven (7) years.

Example: Respondent has experience in operating and maintaining a commercial and/or GA airport under a management/O&M contract of a duration of five (5) years, with execution date on 1/1/2010 and expiry date on 12/31/2014. The last three (3) consecutive years of the contract have taken place within the last seven (7) years, respectively from 1/1/2012 to 12/31/2012, 1/1/2013 to 12/31/2013 and 1/1/2014 to 12/31/2014. Such contract is considered compliant for the Contracting Experience criterion scoring.

Points shall be awarded as follows:

Three (3) or more compliant concession and/or O&M Contracts in portfolio	15 pts.
At least two (2) compliant concession and/or O&M Contracts in portfolio	10 pts.
At least one (1) compliant concession and/or O&M Contract in portfolio	5 pts.
No compliant concession and/or O&M Contract in portfolio	0 pts.

For sake of clarity, these airports can be different from those referenced in criterion 2.1 O&M Experience.

B.3. Geographic Experience

Respondents must demonstrate experience in operating commercial and GA airports in two (2) or more countries or States for three (3) consecutive years in the last five (5) years. By countries or States, it is meant two (2) distinctive countries or two (2) distinctive states of a federal union

such as the United States of America. A State shall be considered individual geographical jurisdictions for purposes of this criterion.

Points are awarded as follows:

Operations in four (4) or more different countries or States	10 pts.
Operations in at least three (3) different countries or States	7 pts.
Operations in at least two (2) different countries or States	3 pts.
Operations in only one (1) country or State	0 pts.

C. Financial Capabilities

C.1. Minimum Financial Qualifications

Respondents shall demonstrate sufficient financial capability to carry out the Project responsibilities potentially allocated to it, taking into account profitability, capital structure, ability to service existing debt and other commitment and/or contingencies. In order to demonstrate sufficient financial capacity, Respondents must provide the following information:

Part A: Financial Statements

- Financial statements for the Respondent (or in the case of a consortium, each Team Member) for the three (3) most recent completed fiscal years must be provided.
- Financial statement information must include the following:
 - Opinion Letter (Auditor’s Report), if available;
 - Balance Sheet;
 - Income Statement;
 - Statement of Changes in Cash Flow; and
 - Footnotes.
- In addition, financial statements must meet the following requirements:
 - **GAAP or IFRS** – Financial statements must be prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”) or International Financial Reporting Standards (“IFRS”);
 - **U.S. Dollars** – Financial statements must be provided in U.S. dollars. If financial statements are not readily available in U.S. dollars, the Respondent must convert the financial statements to U.S. dollars and provide a summary of the conversion methods and applicable foreign exchange rates used to do so;
 - **Audited** – Financial statements must be audited by an independent party qualified to render audit opinions (e.g., a certified public accountant or equivalent). If audited financials are not available, the SOQ shall include

unaudited financial statements for such Respondent, certified as true, correct and accurate by the chief financial officer (“CFO”) or treasurer of the entity;

- **English** - Financial statement information must be prepared in English. If audited financial statements are prepared in a language other than English, translations of all financial statement information, including footnotes, must be provided with the original financial statement information;
- **Newly Formed/Not Yet Formed Entity** - If the Respondent is a newly formed entity or has not yet formed a legal entity and does not have independent financial statements, financial statements for the equity members shall be provided. The Respondent shall state expressly that the Respondent is a newly formed entity or not yet formed entity, as applicable, and does not have independent financial statements;

Part B: Material Changes in Financial Condition

Information regarding any material changes in financial condition for Respondent for the past three (3) years and anticipated for the next reporting period must be provided. If no material change has occurred and none is pending, the Respondent shall provide a letter from its CFO or treasurer so certifying.

Where a material change will have a negative financial impact, the affected entity shall provide a discussion of measures that would be undertaken to insulate the Project from any recent material changes, and those currently in progress or reasonably anticipated in the future. If the financial statements indicate that expenses and losses exceed income in each of the three (3) most recently completed fiscal years, even if there has not been a material change, the affected entity shall provide a discussion of measures that will be undertaken to make the entity profitable in the future and an estimate of when the entity will be profitable.

Respondents must demonstrate their financial capacity to fulfil the terms of the Contract and undertake the related financial obligations.

Audited financials & supporting information shall not count for purposes of the page limits set forth in Section 4.2 of this RFQ.

C.2. Ability to Grow Traffic

Respondents shall submit evidence and documentation that illustrates their performance with respect to their ability in growing airport traffic (and consequently its revenue). Respondents shall submit evidence and documentation that illustrates the growth in passenger traffic (for commercial airports) and in Jet A fuel sales and hangar space rentals (for GA airports) in past or current projects.

Respondents will be evaluated in relation with all other eligible Respondents with respect to the increase of passenger traffic (“PAX”) at one commercial airport and Jet A fuel sales and hangar space rentals at one GA airport under their management during the last five (5) years.

Metrics to be considered are:

- Passenger traffic growth of more than 2 percent annually in the last three (3) years;
- Growth in jet fuel sales of more than 2 percent annually in the last three (3) years; and
- Growth in hangar rental revenues of more than 5 percent annually in the last three (3) years.

Point will be award as follows:

- Meets all three metrics: 15 point;
- Meets any two of the metrics; 10 points;
- Meets only one of the metrics: 5 points; and
- Meets none of the metrics: 0 points.

IV. SOQ REQUIREMENTS & PROCEDURE

4.1. SOQ Requirements:

Overview of Requirements

Prospective Respondents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information via e-mail to the Authority’s Evaluation Committee Contact’s e-mail address listed below. The SOQ shall comply with the outline provided under “Required Information for RFQ Submission” below and all other conditions identified in this RFQ. Additional information not specifically related to the Project or this RFQ should not be included. All questions or requests for information regarding this RFQ, which the Authority may or may not respond to, in its sole discretion, should be directed to the Evaluation Committee via e-mail. Please do not contact any officials or related parties of the Authority in any other manner. Such contact may serve as grounds for disqualification.

Address questions, comments, to:

Evaluation Committee

Request for Qualifications – Regional Airports Project

E-mail: regionalairports@prpa.pr.gov

No Liability for Costs

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

Modification and Termination Rights

The Authority reserves the right to modify or terminate the RFQ and the RFP process for this Project at any stage if the Authority determines such action to be in the best public interest. The receipt of responses, proposals or other documents at any stage of either the RFQ or the RFP process will in no way obligate the Authority to enter into any contract of any kind with any party.

Authorization for Further Investigation

By submitting a response to this RFQ, each Respondent specifically authorizes the Authority, and its officers, employees and consultants to make any inquiry or investigation to verify the statements, documents, and information submitted in connection with this RFQ, and to seek clarification from the Respondent's officers, employees, advisors, accountants and clients regarding the same.

4.2. Required Information for SOQ Submission

Compliance with the RFQ

The SOQ must be prepared in English and follow the outline below. Respondents shall submit responses in Word or PDF templates. Responses should strictly comply with the following format:

- a) Cover Page (to include identification of all Team Members);
- b) Cover Letter (2 pages maximum);
- c) Table of Contents;
- d) Executive Summary (2 pages maximum);
- e) The specific requirements as set out in section 4.3 above;
 - i. Part 1: Legal Compliance (No page limit)- Pass or Fail;
 - ii. Part 2: Technical Capabilities- (20 pages maximum) Weight 85 pts; and
 - iii. Part 3: Financial and Commercial Capabilities- (10 page maximum, excluding any required attachments) Weight 15 pts.

Respondents may include additional information they determine to be relevant as an appendix or attachments to their SOQs. Respondents that fail to comply with the requirements set forth in this Section 4.2 may be disqualified.

4.3. Pre-RFP Submission Confirmation

Prior to the issuance of the RFP documents, the Authority may, in its discretion, request any Respondent to confirm that there have been no material changes to the information submitted with respect to the Respondent and/or any Team Member in response to the submission requirements set out in this RFQ. If there have been any material changes to the submitted information, the Respondent shall provide details of such changes in accordance with any requirements the Authority may impose at that time. The Authority shall evaluate the information submitted by the Respondents in accordance with the evaluation criteria set out in Section 3.3 of this RFQ and may revise the Respondent's score and ranking to reflect the results of the evaluation. If a Respondent's revised score results in a change in its ranking, the Authority may, in its discretion, eliminate Respondent from the Shortlisted Respondents list. It may also, in its discretion, invite other Respondents based on their ranking in this RFQ Process to be added to the list of Shortlisted

Respondents, even if those replacement Respondents were not Shortlisted Respondents in the first instance.

4.4. Reporting of Material Adverse Change

At any time prior to the issuance of the RFP documents, a Shortlisted Respondent shall submit immediately to the Authority information pursuant to the submission requirements set out in this RFQ either: (i) upon the occurrence of a material adverse change to the information previously submitted by the Respondent or any key Team Member in response to such submission requirements; or (ii) from time to time upon the Authority's request. The Authority shall evaluate the information submitted by the Respondent in accordance with the evaluation criteria set out in Section 4.2 above, and may revise the Respondent's score and ranking to reflect the results of the evaluation. If a Shortlisted Respondent's revised score results in a change in its ranking, the Authority may, in its discretion, eliminate Respondent from the Shortlisted Respondents list. It may also, in its discretion, invite other Respondents based on their ranking in this RFQ process to be added to the list of Shortlisted Respondents, even if those replacement Respondents were not Shortlisted Respondents in the first instance.

4.5. RFQ Submission Instructions & Next Steps

The Respondents shall submit one (1) originally executed SOQ, with signatures in **blue ink**, and four (4) copies along with one copy in portable document format (PDF) on a USB flash drive. This physical SOQ package must be sent by regular or express mail to the postal address listed below and post marked by the Submission Deadline. Respondents shall also electronically submit a PDF copy of the originally executed SOQ to the following e-mail address by the Submission Deadline: regionalairports@prpa.pr.gov. The SOQ containing original signatures shall be marked as "Originals".

The SOQ shall be labeled as follows:

Puerto Rico Ports Authority
Regional Airports Project
SOQ Submitted by (Respondent's name and Address)

The physical SOQ package shall be delivered to:

Puerto Rico Ports Authority
Attention: Melissa Marchany, Esq. – General Legal Counsel
P.O. Box 362829
San Juan, Puerto Rico 00936-2829

The determination of whether an SOQ submission is submitted before the Submission Deadline will be based on: (1) the time of submission of the e-mail attaching the electronic PDF copy; and (2) the post mark on the physical SOQ package sent by regular mail. SOQ submissions sent after the Submission Deadline will be rejected and returned to Respondents unopened.

Respondents should not submit promotional materials as part of their RFQ submissions and are strongly encouraged not to submit information that is not required by this RFQ. Respondents

are strongly encouraged to be succinct in their prequalification submissions. If there are page limits set out in Section 4.2, a Respondent shall limit its prequalification submission, or each component of the RFQ submission, to the maximum number of pages indicated in Section 4.2. Respondents are cautioned that, if there are page limits set out in Section 4.2, the Evaluation Committee will not review or score pages submitted in excess of the maximum number of pages indicated for such item.

4.6. Confidentiality of RFQ Submission

All SOQs shall become the property of the Authority. The documents and other records submitted to the Authority are part of the public record and subject to public disclosure; accordingly, information submitted should be expected to be subject to public availability. Therefore, any response submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must also be conspicuously marked as containing confidential information. The Authority will consider the treatment of such information as confidential as provided in and subject to disclosure requirements under applicable law. In no event shall the Government or the Authority be liable to a Respondent for any disclosure required by law or a court order of all or a portion of an SOQ submission filed with the Authority.

4.7. Use of Confidential Information

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

- a) Shall remain the sole property of the Government, or the Authority, as applicable, and the Respondent shall treat it as confidential;
- b) May not be used by the Respondent for any other purpose other than submitting an SOQ, RFP submission or the performance of any subsequent agreement relating to the Project with the Government or the Authority, as applicable;
- c) May not be disclosed by the Respondent or any Team Member to any person who is not involved in the Respondent's preparation of its SOQ, RFP submission or the performance of any subsequent agreement relating to the Project with the Government or the Authority, as applicable, without prior written authorization from the party in respect of whom the confidential information relates;
- d) If requested by the Government or the Authority, will be returned to same no later than ten (10) calendar days after such request; and
- e) May not be used in any way that is detrimental to the Government, or the Authority.

Each Respondent shall be responsible for any breach of the provisions of this Section 4.7 by any Person to whom it discloses the Confidential Information. Each Respondent acknowledges and agrees that a breach of the provisions of this Section 4.7 would cause, the Authority, the Government and/or their related entities to suffer loss which could not be adequately compensated by damages, and that the Authority, the Government and/or any related entity may, in addition to any other remedy or relief, enforce any of the provisions of this Section 4.7 and obtain from a court

of competent jurisdiction injunctive relief without having to provide proof of actual damage to the Authority, the Government or any related entity.

The provisions in this Section 4.7 shall survive any cancellation of this RFQ or the RFP and the conclusion of the RFQ and RFP processes.

4.8. Conflict of Interest & Ineligible Persons

Respondents shall be responsible for reviewing any applicable Authority ethic guidelines, as well as other applicable ethic laws and regulations, including Law No. 2 of January 4, 2018, known as the Anticorruption Code for a New Puerto Rico.

Respondents are required to provide a list of any other current or former contracts the firm has/had with any Government Entity in Puerto Rico, or which bear any direct or indirect relation to the activities of the Government of Puerto Rico. Further, please provide 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 or team that are related to work executed in or on behalf of the Government and/or its instrumentalities. In addition, please provide a brief description of any work you have performed for any creditors or guarantors of the Government or any 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.

Each Respondent representative, on behalf of the Team Members identified as meeting the experience requirements of this RFQ, must declare and continue to be under an obligation to declare all conflicts of interest or any situation that may be reasonably perceived as a conflict of interest that exists now or may exist in the future. "Conflict of Interest" includes any situation or circumstance where in relation to the Project, the Respondent or a Team Member identified as meeting the experience requirements of this RFQ has other commitments, relationships or financial interests that could or could be seen to:

- a) Exercise an improper influence over the objective, unbiased and impartial exercise of the Authority's independent judgment; or
- b) Compromise, impair or be incompatible with the effective performance of its obligations under the Project Agreement.

In connection with its SOQ, each Respondent and each Team Member shall:

- a) Avoid any Conflict of Interest in relation to the Project;
- b) Disclose to the Authority without delay any actual or potential Conflict of Interest that arises during the RFQ process; and
- c) Comply with any requirements prescribed by the Authority to resolve any Conflict of Interest.

In addition to all contractual or other rights or rights available at law or in equity or legislation, the Authority may immediately exclude a Respondent or any of its Team Members from further consideration or remove the Respondent or any Team Member from the RFQ process if the:

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

- b) Respondent or a Team Member identified as meeting the experience requirements of this RFQ fails to comply with any requirements prescribed by the Authority to resolve a conflict of interest; or
- c) Respondent's Conflict of Interest issue cannot be resolved.

At some point in the selection process, the Authority may request information on any perceived conflict of interests. Also, the Authority may in the future request a list of direct or indirect relationships the Respondent or its professionals have to officials at the Authority or other government entities.

In the event of real or apparent Conflicts of Interest, the Authority reserves the right, in the best interest of the Government and at its sole discretion, to disqualify or refuse to shortlist a Respondent or to impose additional conditions upon the Respondent.

To the extent that any Respondent has formed or proposes to form a consortium, joint venture, or partnership to participate in the RFP, such Respondent shall include in its SOQ the identity, role and capabilities of each member. The submittal requirements will need to be satisfied for each member (i.e., financial capacity information and organization information).

Except as specifically provided to the contrary in this RFQ, no member may join or participate, directly or indirectly, as a member in more than one Respondent for this RFQ. Each person or legal entity who participates as a member is responsible for ensuring that no other person or legal entity which is related to it joins or participates, directly or indirectly, as a member of any other Respondent.

4.9. RFQ Miscellaneous Instructions

Addenda to RFQ

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

Withdrawal of SOQs

A Respondent may withdraw an SOQ by delivering to the Authority, prior to the Submission Deadline, at the address for delivery of SOQs set forth in Section 4.5, a written request for withdrawal of an SOQ. Any such withdrawal does not prejudice the right of a Respondent to submit another SOQ by the Submission Deadline.

4.10. Disclaimers

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

4.11. Reservation of Rights

In connection with the proposed Project, including with respect to the future RFP process, the Authority reserves all rights (which rights shall be exercisable by the Authority in its absolute discretion) available to the Authority under applicable laws and regulations, including, without limitation, with or without cause and with or without notice, the right to:

- a) Modify the procurement process to address applicable law and/or the best interests of the Authority, and the Government;
- b) Develop the Project in any manner that they deem necessary and change the limits, scope and details of the Project;
- c) Negotiate with the next highest ranked Proponent, terminate the process and pursue other alternatives relating to the Project, or exercise such other rights as it deems appropriate, if the Authority is unable to negotiate the O&M Contract to its satisfaction with a Preferred Proponent;
- d) Cancel the procurement process, as applicable, in whole or in part, at any time prior to the execution by the Authority of an agreement, without incurring any cost, obligations or liabilities whatsoever;
- e) Issue a new RFQ after withdrawal of this RFQ;
- f) Reject or disqualify any and all RFQ submissions and responses received at any time for any reason without any obligation, compensation or reimbursement to any Respondent or prospective Respondent or Team Member;
- g) Modify all dates, deadlines, process, schedule and other requirements set out, described or projected in this RFQ;
- h) Terminate evaluations of responses received at any time;
- i) Exclude any Respondent from submitting any response to the RFQ or bid, as the case may be, based on failure to comply with any requirements;
- j) Issue addenda, supplements and modifications to this RFQ;
- k) Require direct confirmation of information furnished by a Respondent, additional information from a Respondent concerning its response or additional evidence of qualifications to perform the work described in this RFQ;

- l) Consider, in the evaluation of any RFQ submission, any instances of poor performance by a Respondent, Team Member or key individual that any of the Authority, or the Government may have experienced or experienced by a third party, be it one of the included references or otherwise;
- m) Seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFQ;
- n) Add or delete Respondent responsibilities from the information contained in this RFQ or any subsequent process instruments;
- o) Negotiate with any party without being bound by any provision in its response;
- p) Waive any deficiency, defect, irregularity, non-conformity or non-compliance in any response to the RFQ or permit clarifications or supplements to any response to the RFQ, and accept such response even if such deficiency, defect, irregularity, non-conformity or non-compliance would otherwise render the response null and void or inadmissible;
- q) Add or eliminate facility expansion to or from the Project;
- r) Incorporate the RFQ or any Respondent's response to the RFQ or portion thereto as part of the RFP;
- s) Not issue a notice to proceed after execution of any contract; and
- t) Exercise any other right reserved or afforded to the Authority under the Act, the Regulation, this RFQ or any other applicable law.

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

4.12. Limitation of Damages

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

- a) Does not select a shortlist of prequalified Respondents;
- b) Suspends, cancels, or in any way modifies the Project or the solicitation process (including modification of the scope of the Project or modification of the RFQ or both);
- c) Accepts any compliant or non-compliant response or selects a shortlist of one or more prequalified Respondent(s); or
- d) For any breach or fundamental breach of contract or legal duty of the Authority, or the Government, whether express or implied, and each Respondent waives any and all Claims whatsoever, including Claims for loss of profits or loss of opportunity, if the Respondent is not shortlisted in the solicitation process for any other reason whatsoever.

For purposes of this Section 4.12, “Claim” means any claim, demand, liability, damage, loss, suit, action, or cause of action, whether arising in contract, tort or otherwise, and all costs and expenses relating thereto.

Appendix A: Form of Respondent and Team Members Certification

[Letterhead of each Respondent or Team Member, as applicable]

[PRPA official]

Puerto Rico Ports Authority

Dear [____],

Re: PRPA Regional Airports Operations & Management Contract - Request for Qualifications

We have carefully reviewed the Request for Qualifications dated _ February 2019 (“RFQ”) issued by the Puerto Rico Ports Authority and all other documents accompanying or made a part of the RFQ, including any addenda. 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 SOQ and all enclosures thereto. Without limitation, we specifically acknowledge the disclaimer contained in Section 4.10 and the limitation of damages contained in Section 4.12 of the RFQ.

We certify that the information contained in the attached SOQ is truthful. We further certify that the individual who has signed and delivered this certification is duly authorized to submit the attached SOQ on behalf of the Respondent or Team Member, as applicable, as its acts and deed and that the Respondent or Team Member, as applicable, is ready, willing and able to participate in the RFP process and perform if awarded the O&M Contract.

We further certify that we are *[describe the type of entity or entities (corporation, partnership, LLC, etc.)]* organized in *[indicate the jurisdiction of organization]* and the entity contemplated by Respondent and Team Members to be the one that will execute the O&M Contract will have no impediment to, and will be authorized to do business in Puerto Rico and to enter into a contractual relationship with government entities in Puerto Rico, as well as to comply with any other applicable Puerto Rico or U.S. laws and/or requirements.

We further certify that the Respondent and Team Members [have filed all] [have not had to file any] income tax returns with the Department of the Treasury of the Government of Puerto Rico during the past five years.

We further certify that the Respondent and Team Members do not have any Tax Debts with the Government, nor any of its instrumentalities or political subdivisions. The term “Tax Debt” means any debt for (i) income taxes, (ii) sales and use taxes, (iii) excise taxes, (iv) real or personal property taxes, (v) municipal license taxes (“patente”), (vi) special taxes levied, (vii) license rights, (viii) tax withholdings for payment of salaries, professional service fees, interests, dividends, rents or profits, (ix) unemployment or disability insurance premiums, (x) workers compensation payments, or (xi) premiums for social security for chauffeurs.

We further certify that the Respondent and Team Members have paid to the Puerto Rico

Department of Labor and Human Resources its employees' contributions accruing during the last five (5) years, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for drivers/chauffeurs) or is paying such contributions pursuant to an installment plan and is in full compliance with its terms.

We further certify that the Respondent and Team Members are compliant with any child support obligations under Puerto Rico law and are in compliance with the withholdings required to be made by employers under applicable law.

We further certify that neither we nor any of our directors, officers, shareholders, or subsidiaries, nor its parent company, nor in the case of a partnership, any of its partners, nor any person or entity that may be considered an alter ego of the Respondent or Team Member, as applicable (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 Government of Puerto Rico, 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 any of the crimes referenced in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended, known as the Organic Act of the Office of Government Ethics of Puerto Rico, any of the crimes typified in Articles 250 through 266 of Act No. 146-2012, as amended, known as the Puerto Rico Penal Code, or any of the crimes listed in Act No. 2-2018, as amended, known as the Anti-Corruption Code for a New Puerto Rico or for any other felony that involves misuse of public funds or property, including but not limited to the crimes mentioned in Article 6.8 of Act No. 8-2017, as amended, known as the Act for the Administration and Transformation of Human Resources in the Government of Puerto Rico, or under the Foreign Corrupt Practices Act; nor is any Covered Party under investigation in any legislative, judicial or administrative proceedings, in the Commonwealth of Puerto Rico, the United States or any other country. The Respondent and Team Members are in compliance with all federal, state, local and foreign laws applicable to the Respondent or Team Member, as applicable that prohibit corruption or regulate crimes against public functions or public funds, including the Foreign Corrupt Practices Act.

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

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

We further certify that we are in compliance with the provisions of Act No. 2 of 2018, also known as the Anti-Corruption Act 2018.

We further certify that we are in compliance with the provisions of Section 5.8 of the RFQ regarding Conflict of Interests and Ineligible Persons.

We further certify that this SOQ is made without prior understanding, agreement, connection,

discussion or collusion with any other person, firm or corporation submitting a separate SOQ or any officer, employee or agent of the Authority or any other agency of the Government of Puerto Rico; and that the undersigned executed this Respondent's and Team Member Certificate with full knowledge and understanding of the matters herein contained and was duly authorized to do so.

We further certify that Respondent and Team Members will not attempt to communicate in relation to the RFQ, directly or indirectly, with any representative of the Authority, including any Restricted Parties, or any director, officer, employee, agent, advisor, staff member, consultant or representative of any of the foregoing, as applicable, for any purpose whatsoever, including for purposes of: (a) commenting on or attempting to influence views on the merits of the Respondent's and Team Members' SOQ, or in relation to their SOQ; (b) influencing, or attempting to influence, the outcome of the RFQ stage, or of the competitive selection process, including the review, evaluation, and ranking of SOQs or the selection of the Shortlisted Firms; (c) promoting the Respondent and Team Members or their interests in the Project, including in preference to that of other Respondents or Team Members; (d) commenting on or criticizing aspects of the RFQ, the competitive selection process, or the Project including in a manner which may give the Respondent or its Team Members a competitive or other advantage over other Respondents or Team Members; and (e) criticizing the SOQs of other Respondents.

The undersigned Respondent and Team Members acknowledge that any violation or misrepresentation with respect to the above prohibit their participation in any procurement process under the laws of Puerto Rico and therefore will be disqualified from participating hereunder.

The attached SOQ shall be governed by and construed in all respects according to the laws of Puerto Rico and the terms of the RFQ.

Our business address is:

[Insert business address]

Yours faithfully,

[Insert appropriate signature block for signature by a person duly authorized to bind the Respondent or Team Member]

