



GOVERNMENT OF PUERTO RICO  
PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY

## **REQUEST FOR PROPOSALS**

Strategic and Financial Advisor

**For**

### **PUERTO RICO FISCAL AGENCY & FINANCIAL ADVISORY AUTHORITY**

Issue Date: May 6, 2021

RFP Number: 2021-06

**Submission Location:**

Responses must be mailed to:

[rfp@aafaf.pr.gov](mailto:rfp@aafaf.pr.gov)

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

**Proposal Submission Date:**

Proposals to be received at the above Submission email address on or prior to:

**11:59 AM (AST), May 21, 2021**

**Contact Person:**

Alfredo Guerra Estevanell  
Director – Office of Financial Advisory

**Puerto Rico Fiscal Agency & Financial Advisory Authority**

**No Telephone Queries.**



## REQUEST FOR PROPOSALS for STRATEGIC AND FINANCIAL ADVISOR

May 6, 2021

### Introduction

The Puerto Rico Fiscal Agency and Financial Advisory Authority (the “Authority” or “AAFAP”) was created by Act No. 2-2017 enacted on January 18, 2017 (hereinafter, “Act 2” or “Enabling Act”) with the purpose of acting as fiscal agent, financial advisor, and reporting agent for all the governmental entities that comprise the Government of Puerto Rico (hereinafter, the “Government”), and to assist them in managing their fiscal, operational, and public policy responsibilities. Pursuant to its enabling act, the Authority is a public corporation and governmental instrumentality with separate legal existence, fiscal and administrative autonomy, and independence from the Government.

AAFAP is empowered to collaborate in conjunction with the Governor of Puerto Rico and his representatives in the creation, execution, supervision, and oversight of any Fiscal Plan and Budget, as such terms are defined in the Puerto Rico Oversight, Management, and Economic Stability Act, Public Law No. 114–187, enacted on June 30, 2016 (known and hereinafter referred to as “PROMESA”). Also, AAFAP’s, among others, has the sole responsibility to renegotiate, restructure and/or reach an agreement with creditors on all or part of the public debt or any other debt issued by any Government entity. Notwithstanding the foregoing, the activities and responsibilities of the Authority are separate and distinct from those of the Financial Oversight and Management Board for Puerto Rico established in accordance to Chapter 20 of PROMESA (hereinafter, the “Oversight Board”).

In addition, Act 2 empowers AAFAP to negotiate and execute any type of contract, including all those instruments and agreements necessary or convenient to exercise the powers and functions conferred to AAFAP by its enabling act. The Authority is also responsible for assisting Government entities that may need to retain the services of financial and legal professionals to assist them in the evaluation and execution of financial transactions.

### Request for Proposals

As such, AAFAP is seeking Proposals submitted by firms (“Proponent” or “Proponents”) interested in providing Strategic and Financial Advisory services (“SFA”) to AAFAP for the potential to be retained by the Authority, the Government, and / or other agencies, instrumentalities, public corporations, and municipalities (hereinafter, the “Government Entities”).

All Proponents are advised that AAFAP reserves its rights to potentially engage one or more SFA. In addition, this RFP does not represent a contracting proposal to any Proponent. Furthermore, AAFAP is not required to pursue the contracting of a SFA. All submitted Proposals are subject to the analysis and consideration of the Board of Directors of the Authority.

AAFAP intends to utilize this Request for Proposals (hereinafter, “RFP”) process to select and prequalify one or more SFA that may serve on various assignments for the Authority, the Government and/or the Government Entities.

The SFA may be required to serve in the capacity as an Independent Registered Municipal Advisor (or “IRMA”, as such term is used in the Dodd-Frank Wall Street Reform and Consumer Protection Act) to the Government Entities listed in Appendix I of this RFP (as such list may be amended or modified from time to time), among

others, to the extent firms responding to this RFP are registered as Municipal Advisors and authorized to act as IRMAs. The Authority, however, reserves the right to choose a separate firm to act as IRMA.

### **Qualifications and Scope of Work**

Activities and assignments for AAFAF, the Government and/or other Government Entities may include, but are not limited to the following:

- Participating in processes to comply with the Authority's responsibilities under PROMESA;
- Performing financial analysis to determine financial viability;
- Assisting in the development of Fiscal Plans as defined and required under PROMESA;
- Preparing cash flow and liquidity analyses for the Government and / or Governmental Entities;
- Collaborating with investment bank teams in preparing debt and debt affordability analyses;
- Playing a lead role and collaborating with legal counsel in creditor communication strategy and negotiations;
- Helping and advising in credit rating agency communications;
- Preparing public presentations on financial restructurings;
- Preparing and participating in creditor and investor presentations for debt sales or exchanges;
- Preparing and presenting materials that may be required for governmental approval processes, including those to be presented to the Oversight Board;
- Assisting in the execution of debt restructuring, financial and capital markets transactions;
- Working with legal advisors and investment banks to perform these assignments.

### **Proposal Components**

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All Proposals must meet the requirements stated in this **RFP**. Proposals must include the following Proposal Components. All Proponents are advised that AAFAF will not evaluate Proposals that do not follow the herein Proposal Components:

#### **I. Description**

Proponents must provide (i) an overview of their organization and its primary areas of business and (ii) if their organization is authorized to do business in the Commonwealth of Puerto Rico.

#### **II. Areas of Expertise**

Proposals must include narrative, information, and examples of prior and existing work pertaining to each of the following Areas of Expertise that AAFAF considers relevant in its evaluation and consideration of each Proposal. Also identify any other practice area and experience that may be helpful as an SFA for the Authority, the Government and/or other Government Entities. Include brief case studies of relevant situations in which your Organization was instrumental in successful debt restructurings for governmental entities, or in cases where the creditors were similar in type to the creditors and guarantors of the Government. Also provide examples of cases where your organization and/or professionals served as SFA for transactions for entities that were emerging from bankruptcy or severe financial distress.

#### **Areas of Expertise**

- Municipal Finance;
- PROMESA Expertise;
- Public and Private Capital Markets Debt;
- General Corporate Restructuring (both voluntary and court-conducted processes);
- Governmental and Sovereign Debt Restructuring;

- Financial/Fiscal Planning (Including Liquidity Analysis;
- Litigation Support – Including Public Testimony;
- Creditor Negotiations;
- Municipal Bond Insurance;
- Credit Rating Agencies;
- Insurance Rating Agencies;
- Public Sector Accounting;
- Public Sector Actuarial Analysis;
- Infrastructure and Utility Finance;
- Securitization Financings;
- Asset Valuations, Sales and Privatizations

### III. Rate / Fee Structure

Based on a one-year engagement, provide a full explanation of your pricing structure, including an overall fixed quote and where possible, estimated hourly fee structure.

### IV. List Individuals Assigned to Activities of the Authority, the Government and/or other Government Entities

Include a description of the Individuals' relevant experience and any history of working with the Government. Provide an organizational chart for your team with the designation of primary leadership and day-to-day professionals that may be assigned to work with the Government.

### V. Proponent's Prior Work for Government Entities

All Proposals must contain a description of any prior work done for any of the Government Entities during the past five (5) years, including involvement in litigation and/or investigations related to the Government, if any.

### VI. Related Activities and Investments

To allow assessment of potential conflicts of interest, all Proposals must provide a brief description of any work that your organization has performed for any creditors or guarantors of debt issued by the Government and/or the Government Entities in relation to their positions in Puerto Rico debt obligations. Indicate whether this activity is ongoing, and if not, when the prior assignment was concluded. Also, list any holdings that your organization has of debt issued by the Government and/or the Government Entities, or holdings of securities issued by municipal bond insurance companies. Puerto Rico debt obligations and securities issued by municipal bond insurance companies shall henceforth be referred to as "Related Investments".

Provide a list of Related Investments that are held directly by your organization, by affiliated companies to your organization, or that your organization or affiliates may manage for others. In addition, the Authority may request in the future a list of direct or indirect connections your organization or any of its professionals have with officers of the Authority, members of the Authority's Board of Directors, and / or management of the Government Entities.

### VII. References

All Proposals must provide contact information for references for three (3) separate past assignments that are directly relevant to those anticipated by the Authority.

Completion and submittal within each Proposal of Appendix II and Appendix III.

## Selection Criteria

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AAFAP will use the following criteria to evaluate, consider, rank, determine and select one or more Proposals. In its evaluation, AAFAP will consider the information contained in the Proposals. For each part of the RFP process, AAFAP will review the Proposals and conduct whatever additional research and due diligence it deems necessary in order to fully evaluate the Proposals. AAFAP reserves the right to refuse any and all Proposals at its full discretion. The following Selection Criteria herein in this RFP is not necessarily listed in order of importance.

SELECTION CRITERIA
Areas of Expertise
List Individuals Assigned to Activities
References
Proposed Rate and Fee structure
Timeliness, clarity, and completeness of Proposals
Contribution to the Commonwealth of Puerto Rico

All Proponents are advised that for the Areas of Expertise, AAFAP will assign a numerical value of “1” to each Area of Expertise that a Proposal answers that it can provide and a numerical value of “0” to the Area of Expertise that a Proposal answers that it does not provide. Representative Numerical values for the overall **SELECTION CRITERIA** are defined as follows:

<b>DOES NOT MEET (0 PTS.):</b>	Response does not comply substantially with requirements or is not provided.
<b>WEAK TO MEETS (1 PT.):</b>	Response indicates the objectives will not be completely met or at a level that will be below average.
<b>STRONG (2 PTS.):</b>	Response indicates the objectives will be exceeded.
<b>EXCEEDS (3 PTS.):</b>	Response significantly exceeds objectives (or expectations) in ways that provide tangible benefits or meets objectives (or expectations) and contains at least one enhancing feature that provides significant benefits.

## Receipt of Proposals

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All Proponents are solely responsible for delivery of their Proposals. Proposals must be received by the Proposals Submission Date. Proposals or any portions thereof or attachments thereto received after the Proposals Submission Date will not be accepted.

At any time prior to the Proposals Submission Date, Proponents may submit an amendment to a Proposal that it previously submitted. Any such amendment to a submitted Proposal must be submitted in writing in the same manner as the original Proposal. AAFAP reserves the right to disregard any amendment submitted that does not indicate clearly the proposed modifications to the original Proposal. AAFAP will review the Proposals on or after the Proposals Submission Date. Proposals will not be available publicly.

Rejection of Proposals. AAFAP reserves the right to reject any or all Proposals if it determines that such action is in the best interests of AAFAP. Any conditional or unintelligible Proposal will be considered invalid and will be rejected by AAFAP. In addition, AAFAP will consider a Proposal incomplete in the event it is not prepared and submitted in accordance with the guidelines, requirements, terms and conditions of this RFP, or which contains alterations, contingencies, additions not called for, errors or irregularities of any kind. Incomplete Proposals will be rejected. AAFAP reserves the right to waive any and all informalities or minor irregularities.

Evaluation of Proposals. Proposals submitted in accordance with all the guidelines, requirements, terms and conditions of this RFP and not rejected as provided in this RFP, will be evaluated by AAFAP, in accordance with the

terms and conditions of this RFP. All Proponents are advised that AAFAF, at its full discretion, may conduct interviews with any Proponent.

Request of Additional Information. Any time after AAFAF receives the Proposals, AAFAF may give written notice to Proponents to furnish additional information relating to their Proposals and may give written notice to the Proponents to meet with designated representatives of AAFAF with respect to their Proposals. Neither the furnishing of the RFP to the Proponents, nor the submission of any materials, or other information by the Proponents, nor the acceptance thereof by AAFAF, nor any correspondence, discussions, meetings or other communications between the Proponents and AAFAF, nor anything stated by AAFAF in or at any such correspondence, discussions, meetings or other communications shall be construed or interpreted by the Proponents to impose any obligations whatsoever on AAFAF to compensate or reimburse the Proponents for any costs or expenses incurred in connection with its response to this RFP.

All participants in this RFP are advised that in no way this RFP limits AAFAF's authority to engage any firm of its choice, even though a firm has not submitted a Proposal or has not been selected as a Strategic Financial Advisor under this RFP.

Any initial questions concerning the RFP should be referred to the Authority to the e-mail address mentioned above. Any questions or comments, and related responses, may be made public for the benefit of all potential respondents to the RFP. Under no circumstances should any representative of your organization make any contact concerning the RFP with any representatives not authorized by the Authority, unless instructed to do so by the Authority.

#### **AAFAF's Rights and Disclaimers**

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AAFAF reserves its right, in its sole discretion to: (1) amend or withdraw this RFP at any time, (2) reject all submittals, (3) withdraw at any time from this process with no recourse to any Proponent, their respective entities, shareholders, and / or partners, (4) at any time during the RFP process, undertake discussion and modifications with one or more Proponents, and (5) choose or reject any or all Proposals received in response to this RFP either on the basis of an evaluation of the factors listed in this RFP or for other reasons, including any reason that best serves the interests of AAFAF.

The information contained in this RFP and in any subsequent addenda or related documents is provided as general information only. The furnishing of information by AAFAF shall not create or be deemed to create any obligation or liability upon it for any reasons whatsoever, and each recipient of the RFP by submitting a Proposal to AAFAF, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold AAFAF, or any other third party who prepared a report for AAFAF, liable or responsible therefore in any manner whatsoever.

This RFP has been prepared solely to solicit responses and it is not a contract offer and is not binding on AAFAF. Neither the expression of any organization's interest, nor the submission of any organization's qualifications and any documents or other information, nor the acceptance thereof, by AAFAF, nor any correspondence, discussions, meetings, or other communication between a Proponent and AAFAF, shall impose any obligation on AAFAF to include the Proponent in any such further procedures which AAFAF may utilize prior to the final designation of a Proposal or Proposals, shall be deemed to impose any obligation whatsoever on AAFAF to designate a Proponent, to discuss any Proposals which the Proponent may submit, or to enter into negotiations with the Proponent, or shall entitle the Proponent to any compensation or reimbursement for any costs or expenses incurred by the Proponent in connection with the Proponent's submission hereunder. No costs of responding to the RFP or any addenda or amendment thereto, nor cost of attending any subsequent interviews or meetings in connection with this sale opportunity, shall be reimbursed by AAFAF.

At any time and from time to time after the receipt by AAFAF of responses to this RFP, AAFAF may give written notice to a Proponent to furnish additional information relating to its Proposal and may give written notice to the Proponent

to meet with designated representatives of AAFAF with respect to its Proposal. Neither the furnishing of the RFP to the Proponent, nor the submission of any materials, AAFAF's documents, or other information by the Proponent, nor the acceptance thereof by AAFAF, nor any correspondence, discussions, meetings or other communications between the Proponent and AAFAF, nor anything stated by AAFAF in or at any such correspondence, discussions, meetings or other communications shall be construed or interpreted by the Proponent to mean that AAFAF has made a determination that the Proponent shall be designated as a Strategic Financial Advisor to AAFAF, nor deemed to impose any obligations whatsoever on AAFAF to compensate or reimburse the Interested Party for any costs or expenses incurred in connection with its response to this RFP.

Any information given to AAFAF in any Proposal or any correspondence, discussion, meeting, or other communication between the Proponent and AAFAF before, with or after the submission of the Proposal, either orally or in writing, will not be, or deemed to have been, proprietary or confidential, although AAFAF will use reasonable efforts not to disclose such information to persons who are not employees or consultants retained by AAFAF except as may be required by the Government of Puerto Rico and United States of America law. Use or disclosure of such information by AAFAF may be made without obligation or compensation and without liability of AAFAF of any kind whatsoever. The foregoing applies to any information, whether or not given at the invitation of AAFAF. Any statement which is inconsistent with the foregoing provisions of this paragraph whether made as part of, or in connection with, any information received from the Proponent or otherwise made at any time in any fashion and whether made orally or in writing, shall be deemed null and void and of no force or effect. AAFAF's receipt or discussion of any information submitted in response to this RFP, including information submitted during discussions after said submittal does not, and will not impose any obligations whatsoever on AAFAF, or entitle the Proponent to any compensation.

Neither the members of AAFAF nor any individual member, nor any officer, agent, consultant, or employee thereof shall be charged personally by the Proponent or any third party with any liability or held liable to it under any term or provision of this RFP or any statements made herein.

AAFAF reserves its unqualified right, in its sole discretion, to disqualify any team, firm, or individual from any phase or component of the designation process or this purchase and sale opportunity, due to felonious or other criminal record in any jurisdiction (domestic or foreign).

By providing a Proposal in response to this RFP, each Interested Party and each person signing on behalf of any Proponent certifies, and in case of a joint venture each party thereto certifies as to its own organization, that the terms of its Proposal have been arrived at independently without collusion, consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such terms with any other Proponent or with any competitor; the terms of its Proposals have not been and will not be knowingly disclosed, directly or indirectly, by the Interested Party prior to the official opening of such Proposals, to any other Proponent or to any competitor; no attempt has been made and none will be made by the Proponent to induce any other person, partnership, or corporation to provide or not to provide a Proposal for the purpose of influencing competition; the Proponent has not made any offers or agreements or taken any other action with respect to any AAFAF employee or former AAFAF employee or immediate family member of either, nor does the Proponent have any knowledge or any offers or agreements on the part of a AAFAF employee or former AAFAF employee relating either directly or indirectly to the Proponent and no person or selling agency, other than a bona fide employee or a bona fide established commercial or selling agency maintained by the Proponent for the purpose of securing business, has been employed or retained by the Proponent to solicit or secure designation under the RFP or award of this purchase and sale opportunity on the understanding that a commission, percentage, brokerage, contingent or other fee would be paid to such person or selling agency.

AAFAF prohibits discrimination in employment on the basis of race, color, religious creed, national origin, ancestry, gender, sexual orientation, age, veteran status, or disability. AAFAF is strongly committed to developing and maintaining a diverse workforce and highly values the perspectives and varied experiences that are found only in a diverse workforce. AAFAF believes that promoting diversity is important to the success of its overall corporate mission.

Accordingly, AAFAF requires its contractors, vendors, and tenants, to comply with nondiscrimination laws and encourages them to promote diversity within their workplace. To assist AAFAF in its designation process, the Proponent may provide evidence of their policies and practices relating to diversity.

## **Appendix I**

Current listing of the Governmental Entities:

1. Commonwealth of Puerto Rico
2. The Children’s Trust Fund
3. Employees Retirement System of the Government of the Commonwealth of Puerto Rico and its Instrumentalities
4. Puerto Rico Aqueduct and Sewer Authority (PRASA)
5. Puerto Rico Convention Center District Authority (PRCCDA)
6. Puerto Rico Electric Power Authority (PREPA)
7. Puerto Rico Highways & Transportation Authority (PRHTA)
8. Puerto Rico Housing Finance Authority (PRHFA)
9. Puerto Rico Industrial Development Company (PRIDCO)
10. Puerto Rico Industrial, Tourist, Educational, Medical, and Environmental Control Facilities Financing Authority (AFICA)
11. Puerto Rico Infrastructure Financing Authority (PRIFA)
12. Puerto Rico Municipal Finance Agency (MFA)
13. Puerto Rico Municipal Finance Corporation (COFIM)
14. Puerto Rico Public Buildings Authority (PBA)
15. Puerto Rico Public Finance Corporation (PFC)
16. University of Puerto Rico (UPR)
17. Puerto Rico Health Insurance Administration (PRHIA)
18. Puerto Rico Electric Power Authority Revitalization Corporation (PREPARC)
19. Puerto Rico Aqueduct and Sewer Authority Revitalization Corporation (PRASARC)

**Appendix II**

**NON-COLLUSION AFFIDAVIT**

I, \_\_\_\_\_, of legal age and resident of \_\_\_\_\_, certify for myself and for my organization \_\_\_\_\_, under oath and subject to the consequences and penalties or perjury, that to the best of my knowledge and belief:

i. The prices presented in this proposal have been determined independently without collusion, consultation, communication, or agreement with any other proponent or with any competitor for the purpose of restricting competition.

ii. No attempt has been made or will be made by myself or any member of my organization or associates to induce any other person or organization to submit or not to submit a proposal for the Project, or otherwise take any action in restraint of free competitive proposals for the Project.

\_\_\_\_\_  
Proponent Contact Signature

\_\_\_\_\_  
Proponent Contact Name and Title

AFFIDAVIT NO.

Sworn and subscribed before me by \_\_\_\_\_, of the personal circumstances set forth above, personally known to me, in \_\_\_\_\_, Puerto Rico, on this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Notary Public

*Note: Providing false information may result in immediate disqualification of proponent criminal prosecution or administrative sanctions.*

**Appendix III**

**ELIGIBILITY AFFIDAVIT**

I, \_\_\_\_\_ (Proponent Contact), of legal age, civil status: \_\_\_\_\_, profession: \_\_\_\_\_ and a resident of \_\_\_\_\_ (City, State), in my capacity as \_\_\_\_\_ (officer) of \_\_\_\_\_ (the "Proponent"), do hereby certify under penalty of perjury, that, except as noted below, the Proponent and Proponent's owners, shareholders, partners, directors, officers, principals and managers ("Proponent's Related Parties"):

- a. are not currently under suspension, debarment, voluntary exclusion or determination of ineligibility by any state or federal court of agency;
- b. have not been suspended, debarred, voluntarily excluded or determined ineligible by any state or federal court or agency within the past three (3) years;
- c. do not have a proposed debarment pending;
- d. will not use any subcontractors who are so debarred;
- e. have not been convicted or plead guilty in federal or state court, for the commission of misappropriation; extortion; construction fraud; fraud in the delivery of goods; undue intervention in public procurement processes; bribery; offer to bribe; undue influence; crimes against public funds; or preparation, presentation, possession or transfer of forged documents. The prohibition set forth herein shall also apply to convictions for other crimes equivalent to those of the above stated crimes;
- f. are not under investigation in federal, state, foreign or local jurisdictions, at any legislative, judicial or administrative level for the alleged commission of the abovementioned crimes; and
- g. I am a duly authorized representative of the Proponent and the Proponent Related Parties, with knowledge and authority to execute this sworn statement.

Exceptions to the above are set forth in an attachment to this Appendix II, providing the name of the initiating agency, number of the complaint, names of all parties and dates of action.

\_\_\_\_\_  
Proponent Contact Signature

\_\_\_\_\_  
Proponent Contact Name and Title

AFFIDAVIT NO.

Sworn and subscribed before me by \_\_\_\_\_, of the personal circumstances set forth above, personally known to me, in \_\_\_\_\_, Puerto Rico, on this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Notary Public

*Note: Providing false information may result in immediate disqualification of Proponent criminal prosecution or administrative sanctions.*

