



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority



ADDENDUM NO. 6 TO REQUEST FOR PROPOSALS

Puerto Rico Electric Power
Transmission and Distribution System
RFP 2019-2

Issued by the Puerto Rico Public-Private Partnerships Authority

Date Initial RFP Issued: February 1, 2019

Date of Addendum: November 1, 2019



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority



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GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority



This confidential Request for Proposals is prepared for informational purposes only. It is being delivered to a limited number of Qualified Respondents who may be interested in pursuing a potential transaction as further described herein. This Request for Proposals does not purport to be all-inclusive or to contain all the information that a Qualified Respondent may desire in investigating the potential transaction. By accepting this Request for Proposals, the recipient agrees (i) to keep confidential the information contained herein or made available in connection with any further exploration of the potential transaction and (ii) that such information will only be used for the purposes set forth herein. No express or implied warranty is given by the Puerto Rico Public-Private Partnerships Authority or any other agency or instrumentality of the Government of Puerto Rico as to the accuracy or completeness of the information contained herein or otherwise made available in connection with the Project.





Addendum No. 6

This Addendum No. 6 shall be part of the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System (the “RFP”) issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019. Unless otherwise indicated, capitalized terms not defined herein shall have the meaning set forth in the RFP.

The purpose of this Addendum No. 6 is to update certain terms set forth in the RFP. Other than as specified herein, in Addendum No. 1 to the RFP, issued on April 17, 2019, in Addendum No. 2 to the RFP, issued on May 24, 2019, in Addendum No. 3 to the RFP, issued on June 14, 2019, in Addendum No. 4 to the RFP, issued on August 19, 2019, and in Addendum No. 5 to the RFP, issued on September 4, 2019, there are no other changes to the RFP and the remainder of the RFP should be construed in accordance with its terms, subject to publication of any additional addenda on a subsequent date.

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Global Amendment:

This RFP and all ancillary documents are hereby amended in their entirety so that any reference to the Binding Proposal shall be construed to refer and relate to the Definitive Proposal.



Section 1.3 of the RFP is hereby deleted in its entirety and replaced with the following:

1.3 Key Milestones

The following timeline summarizes certain key milestones in the RFP Process, which are described in more detail in Section 3 (*Description of RFP Process*) of this RFP:

Milestones	Target Dates
Distribution of final form of O&M Agreement	Monday, October 28, 2019
Distribution of definitive submission instructions under Section 4.3 of the RFP	Friday, November 1, 2019
Definitive Proposal submission deadline	11:59pm AST on Thursday, November 21, 2019
Meetings with Qualified Respondents to address questions/clarifications to Definitive Proposals	Expected to be Tuesday, Wednesday and/or Thursday of the first week of December 2019
Qualified Respondents present Definitive Proposals to Partnership Committee in New York	Expected Friday, December 6, 2019
Notification of Selected Proponent to enter into O&M Agreement	Expected mid December 2019

Dates and deadlines are subject to modification. Additional information regarding key dates and deadlines will be provided through the issuance of addenda to this RFP, as necessary.

As indicated in Section 4.4 (*Addenda to RFP*) of this RFP, each Qualified Respondent is responsible for periodically reviewing the PowerAdvocate© website for regular updates to the RFP timeline and other important information

Section 3.5 of the RFP is hereby deleted in its entirety and replaced with the following:

3.5 Final Form of O&M Agreement

O&M Agreement

A final form of the O&M Agreement is included in Annex D to this RFP, such final form reflects the comments and feedback received from the Qualified Respondents that the Authority has accepted. Qualified Respondents are expected to submit their Definitive Proposals based on the final form of the O&M Agreement.

Section 4.1 of the RFP is hereby deleted in its entirety and replaced with the following:

4.1 Definitive Proposal Requirements

Each Definitive Proposal, including the submittal forms set forth in this RFP (the “**Definitive Proposal Forms**”), must be submitted in English, comply with the specifications set forth herein and include the following components and sections:



- Transmittal Letter
- Executive Summary and Table of Contents
- Confirmation of Acceptance of O&M Agreement
- Approach to O&M Services
- Front-End Transition Plan
- Operator Recruitment and Staffing Plan
- Approach to Performance Metrics
- Operational and Financial Proposals
- Optional Debt Financing Plan
- Bid Security; Other Required Forms and Certifications

Qualified Respondents should not submit promotional materials as part of their Definitive Proposals and are strongly encouraged not to submit information that is not required by this RFP. The Partnership Committee invites Qualified Respondents to provide as much relevant and responsive information as possible and as indicated throughout this RFP. In doing so, the Partnership Committee will appreciate a Qualified Respondent's efforts to submit a responsive Definitive Proposal that is as succinct and clear as possible, without impacting the amount of details and information relevant to each required component, and demonstrative of the Qualified Respondent's knowledge, approach and strategy. Non-written, audiovisual materials will not be accepted.

Definitive Proposal submissions are to be received no later than 11:59pm (AST) on Thursday, November 21, 2019 ("**Proposal Submission Deadline**").

4.1.1 Transmittal Letter

Each Definitive Proposal must include a transmittal letter in the form included in Definitive Proposal Form 1.1 (*Transmittal Letter*), with any related documentation attached thereto. This transmittal letter must be signed in blue ink by an authorized representative of the Qualified Respondent.

4.1.2 Executive Summary and Table of Contents

Each Definitive Proposal must include an executive summary that outlines, at a minimum, the key qualifications and distinguishing features of the Qualified Respondent and a summary of the Operational and Financial Proposals.

Each Definitive Proposal must also provide a table of contents that clearly identifies the location of all material within the proposal by section and page number. The table of contents should include lists of figures and tables.

This requirement is to be satisfied by completing and submitting the Definitive Proposal Form 1.2 (*Executive Summary*), with any related documentation attached thereto.



4.1.3 Confirmation of Acceptance of O&M Agreement

Each Definitive Proposal must include a written statement confirming that (i) the Qualified Respondent either (x) accepts the final form of the O&M Agreement, save for the terms and conditions contemplated for the Qualified Respondent's Definitive Proposal described in Section 4.1.8 (*Operational and Financial Proposals*) of the RFP, immaterial amendments to incorporate party names, details and execution mechanics or (y) accepts the final form of the O&M Agreement, save for the terms and conditions contemplated for the Qualified Respondent's Definitive Proposal described in Section 4.1.8 (*Operational and Financial Proposals*) of the RFP, immaterial amendments to incorporate party names, details and execution mechanics, and subject to further discussion on a limited number of material comments, and (ii) there are no further approvals required or conditions precedent to Qualified Respondent's execution of the O&M Agreement.

This requirement is to be satisfied by completing and submitting Definitive Proposal Form 1.3 (*Confirmation and Acceptance of O&M Agreement*), with any related documentation attached thereto.

4.1.4 Approach to O&M Services

Each Definitive Proposal must include a detailed plan describing the Qualified Respondent's approach to performing the O&M Services (as defined in the O&M Agreement) in a manner that results in the performance requirements and Project objectives set forth in the O&M Agreement and this RFP being met or exceeded. This component of each Definitive Proposal should highlight which approaches would distinguish the Qualified Respondent in achieving such performance requirements and Project objectives.

In satisfying this requirement, each Qualified Respondent is encouraged to provide details with respect to any topics that it views as relevant to its approach to performing the O&M Services. However, Qualified Respondents should, at a minimum, provide details with respect to the items set forth in Definitive Proposal Form 1.4 (*Approach to O&M Services*).

This requirement is to be satisfied by completing and submitting Definitive Proposal Form 1.4 (*Approach to O&M Services*), with any related documentation attached thereto.

4.1.5 Front-End Transition Plan

Each Definitive Proposal must include a detailed plan describing the Qualified Respondent's approach to the transition and handover of services and other rights and responsibilities with respect to the Project during the period prior to the assumption of operational control of the T&D System by the Selected Proponent (the "**Front-End Transition Plan**"). The Front-End Transition Plan should cover the period commencing immediately upon the execution of the O&M Agreement and ending no later than the Target Service Commencement Date (as defined in the O&M Agreement).

This component of each Definitive Proposal is to include, at a minimum, and without limitation, the following:

- key milestones to be achieved during the transition period for each component of the Front-End Transition Plan;
- scope of work required to achieve the identified key milestones;
- number of full-time employees and general job description classifications planned for scope of work in order to achieve the key milestones;



- timeline to achieve the identified key milestones leading up to the Target Service Commencement Date;
- estimate of cost to complete the Front-End Transition Plan, by scope of work and key milestones;
- conditions necessary to begin operational services, including a Handover Checklist (as defined in the O&M Agreement) of items to be completed in order to assume operational control; and
- plan to handle Spanish-speaking employees.

In satisfying this requirement, each Qualified Respondent is encouraged to provide details with respect to any topics that it views as relevant to its Front-End Transition Plan. However, Qualified Respondents should, at a minimum, provide details with respect to the topics outlined in Definitive Proposal Form 1.5 (*Front-End Transition Plan*).

This requirement is to be satisfied by completing and submitting to Definitive Proposal Form 1.5 (*Front-End Transition Plan*), with any related documentation attached thereto.

4.1.6 Operator Recruitment and Staffing Plan

Each Definitive Proposal must include a detailed description of the Qualified Respondent's approach to staffing, training employees and subcontracting, among other things (the "**Operator Recruitment and Staffing Plan**"). This component of each Definitive Proposal should include an organizational chart generally outlining the Qualified Respondent's proposed organizational structure.

In satisfying this requirement, each Qualified Respondent is encouraged to provide details with respect to any topics that it views as relevant to its Operator Recruitment and Staffing Plan. However, Qualified Respondent should, at a minimum, provide details with respect to the items set forth in Definitive Proposal Form 1.6 (*Operator Recruitment and Staffing Plan*).

This requirement is to be satisfied by completing and submitting Definitive Proposal Form 1.6 (*Operator Recruitment and Staffing Plan*), with any related documentation attached thereto.

4.1.7 Approach to Performance Metrics

Each Definitive Proposal must include a detailed description of the Qualified Respondent's approach to the development of customer service, technical and operational, and financial performance metrics to be identified and proposed by the Qualified Respondent during the Front-End Transition Period (the "**Performance Metrics**"), views and proposed approach to the Incentive Fee (as defined in the O&M Agreement) and its ability and commitment to meet the Performance Metrics.

This requirement is to be satisfied by completing and submitting Definitive Proposal Form 1.7 (*Approach to Performance Metrics*), with any related documentation attached thereto.

4.1.8 Operational and Financial Proposals

Each Definitive Proposal must include the proposed amounts of the operational and financial proposals required to be provided under the O&M Agreement.

This requirement is to be satisfied by completing and submitting Definitive Proposal Form 1.8 (*Operational and Financial Proposals*), with any related documentation attached thereto.



4.1.9 Optional Debt Financing Plan

Each Definitive Proposal may, at the option of each Qualified Respondent, include a final markup of the revised draft of the Financing Term Sheet included in Annex E to this RFP or a term sheet summarizing the indicative terms and conditions of an alternative financing arrangement proposed by the Qualified Respondent.

To the extent the Qualified Respondent opts to submit a final markup of the revised draft of the Financing Term Sheet, said Qualified Respondent's Definitive Proposal be in the form of a markup using black-lining to indicate the proposed modification with explanatory footnotes where appropriate.

This optional component can be satisfied by completing and submitting Definitive Proposal Form 1.9 (*Optional Debt Financing Plan*), with the Qualified Respondent's markup of the revised Financing Term Sheet or a term sheet summarizing the indicative terms and conditions of an alternative financing arrangement proposed by the Qualified Respondent attached thereto.

4.1.10 Bid Security; Other Required Forms and Certifications

Each Definitive Proposal must include the Bid Security (as defined below) and required certifications described in more detail below. This requirement is to be satisfied by completing and submitting Definitive Proposal Form 1.10 (*Bid Security; Other Required Forms and Certifications*), with any related documentation attached thereto.

Bid Security Requirement

Each Definitive Proposal must include a security to secure the Qualified Respondent's commitment to execute the O&M Agreement if it is the Selected Proponent (the "**Bid Security**"). The Bid Security must be in the form of one or more letters of credit with a term effective for one-hundred and twenty (120) days and must be renewed periodically for additional sixty (60) day periods through the last date that the O&M Agreement is executed by the parties thereto and the conditions to execution have been satisfied (the "**Effective Date**") and substantially from and after the Proposal Submission Deadline, in an aggregate amount equal to US\$30 million (Thirty Million US Dollars) and substantially in the form set out in Definitive Proposal Form 1.10 (*Bid Security; Other Required Forms and Certifications*) of the (or otherwise in form and content reasonably acceptable to the Partnership Committee prior to submission of such letter(s) of credit).

The Bid Security will be held by the Authority for the sole purposes described below.

- If, after receipt of Definitive Proposals from the Qualified Respondents, (i) the Partnership Committee accepts a Definitive Proposal and notifies the Selected Proponent of its decision, (ii) the conditions precedent to the Effective Date (as defined in the O&M Agreement) are satisfied, and the Administrator (as defined in the O&M Agreement) gives written notice to the Selected Proponent to execute the O&M Agreement, and (iii) the Selected Proponent does not execute the O&M Agreement within five (5) Business Days of receiving such notice, then the Authority will be entitled to (A) draw immediately, without notice to the Selected Proponent, the full amount of the Bid Security upon presentation of a sight draft and a certificate confirming that the Authority has the right to draw under the Bid Security in the amount of such sight draft and (B) retain all of the proceeds of the Bid Security as the sole remedy or right of the Authority against such Selected Proponent hereunder.

The Bid Security must be from a non-affiliated financial institution chartered by the United States of America federal government, a State government or a foreign bank with a branch in the United States of America.



The non-affiliated financial institution must also be subject to the regulations of either the Board of Governors of the Federal Reserve or the Federal Deposit Insurance Corporation. A Definitive Proposal that includes modifications to Definitive Proposal Form 1.10 (*Bid Security; Other Required Forms and Certifications*) that have not been pre-approved by the Partnership Committee may be considered non-responsive.

The Bid Security will be returned to the Qualified Respondent solely as, and subject to the terms and conditions, described below:

- If the Qualified Respondent’s Definitive Proposal is not accepted by the Partnership Committee, the Authority shall promptly return the Bid Security to such Qualified Respondent following the date on which the Selected Proponent and PREPA execute the O&M Agreement.
- If the Qualified Respondent’s Definitive Proposal is accepted by the Partnership Committee, the Authority shall promptly return the Bid Security to the Selected Proponent following the Effective Date.

The Qualified Respondent should upload a copy of the Bid Security to the PowerAdvocate® website on or before the Proposal Submission Deadline and mail the original bid guarantee to the following address:

Puerto Rico Public-Private Partnerships Authority
Attn: Fermín Fontanes, Esq. — Executive Director
Puerto Rico Fiscal Agency and Financial Advisory Authority Building
(former GDB Building), 3rd Floor Roberto Sánchez Vilella Government Center, De Diego Avenue
San Juan, PR 00940-2001

Certification Requirements

Each Definitive Proposal must include any certifications required by applicable law, including, without limitation, those required by Act 29, Act 120, any regulations issued under Act 120, any federal funding requirements and PROMESA. In addition to the Bid Security requirement and as described in more detail in Definitive Proposal Form 1.10 (*Bid Security; Other Required Forms and Certifications*), this component of each Definitive Proposal is to include the certifications included in **Annex B** (*Federal Funding Certifications and Conditions*) and **Annex C** (*Form of Respondent Certification*) of the RFP.

Section 4.2 of the RFP is hereby deleted in its entirety and replaced with the following:

4.2 Evaluation Criteria

Act 29 and Act 120 require the Partnership Committee to take into account certain factors in evaluating responses to the RFP. The Partnership Committee will review and evaluate Proposals based on the evaluation criteria set forth below, which have been developed by the Authority and the Partnership Committee to meet the objectives of the Project, including those objectives set forth in Act 120, Act 29 and Section 2 (*Key Transformation Objectives*) of the CIM.

#	Component	Score / Weighing
A.	QUALIFICATIONS/COMPLIANCE COMPONENTS	



#	Component	Score / Weighing
1.	Transmittal Letter <ul style="list-style-type: none"> To be submitted in accordance with the requirements described in Section 4.1.1 of the RFP. 	Not scored
2.	Executive Summary and Table of Contents <ul style="list-style-type: none"> To be submitted in accordance with the requirements described in Section 4.1.2 of the RFP. 	Not scored
3.	Confirmation of Acceptance of O&M Agreement <ul style="list-style-type: none"> To be submitted in accordance with the requirements described in Section 4.1.8 (<i>Operational and Financial Proposals</i>) of the RFP. 	Pass/Fail
4.	Bid Security; Other Required Forms and Certifications <ul style="list-style-type: none"> To be submitted in accordance with the requirements described in Section 4.1.10 of the RFP. 	Pass/Fail
B.	TECHNICAL COMPONENTS	50% Total
5.	Approach to O&M Services <ul style="list-style-type: none"> Component must, at a minimum, address the topics set forth in Definitive Proposal Form 1.4 (<i>Approach to O&M Services</i>). Score to be based on the thoroughness and viability of the Qualified Respondent's proposed approach to providing the O&M Services, the experience and credentials of its proposed management team, its experience in procuring and utilizing federal funding and its ability to optimize the availability of federal funds for capital investments, among other things. 	5%
6.	Front-End Transition Plan <ul style="list-style-type: none"> Component must, at a minimum, address the topics set forth in Definitive Proposal Form 1.5 (<i>Front-End Transition Plan</i>). Score to be based on the thoroughness of the Front-End Transition Plan (including the proposed System Remediation Plan) and the timeline to achieve the identified key milestones, including the Qualified Respondent's proposed Target Service Commencement Date, proposed budget, among other things. 	25%
7.	Operator Recruitment and Staffing Plan <ul style="list-style-type: none"> Component must, at a minimum, address the topics set forth in Definitive Proposal Form 1.6 (<i>Operator Recruitment and Staffing Plan</i>). Score to be based on the training to be provided to employees, optimization of workforce management and consistency with the objectives of the Project and the policy underlying Act 120, among other things. 	10%



#	Component	Score / Weighing
8.	<p><i>Approach to Performance Metrics</i></p> <ul style="list-style-type: none"> ○ Component must, at a minimum, address the topics set forth in Definitive Proposal Form 1.7 (<i>Approach to Performance Metrics</i>). ○ Score to be based on (i) the thoroughness and viability of the Qualified Respondent's approach to identifying and prioritizing performance metrics with the goals and objectives of the Government as stated in the RFP, (ii) the Qualified Respondent's views and proposed approach to the related calculation methodology of Incentive Fee, and (iii) the Qualified Respondent's proposed approach to engaging with PREB and other applicable regulatory bodies in revision and finalization of the Performance Metrics, among other things. ○ Component should also include (i) a maximum proposed Incentive Fee amount per Contract Year based on the indicative Performance Metrics included in <u>Annex VIII</u> of the O&M Agreement; (ii) a maximum proposed Incentive Fee amount per Contract Year based on the Qualified Respondent's proposed changes to the indicative Performance Metrics included in <u>Annex VIII</u> of the O&M Agreement; and (iii) a detailed explanation of the Qualified Respondent's views on how the agreed-upon maximum annual Incentive Fee should reduce or otherwise change the proposed Fixed Fee. 	5%
9.	<p><i>Presentation of Definitive Proposals to the Partnership Committee</i></p> <ul style="list-style-type: none"> ○ Scope of this component to be based on the oral presentation of the Qualified Respondent's Definitive Proposal to the Partnership Committee. The presentation will allow Qualified Respondents to support the contents of their Definitive Proposal, explaining and/or clarifying any particular or significant elements related thereto. The Authority reserves the right to provide additional requirements related to the oral presentations at a later date. 	5%
C.	OPERATIONAL AND FINANCIAL COMPONENTS	50% Total plus 5% Bonus
10.	<p><i>Operational and Financial Proposals</i></p> <ul style="list-style-type: none"> ○ To be submitted in accordance with the requirements described in Section 4.1.8 of the RFP. ○ Score to be based on (i) the net present value of the financial elements of the financial proposals described under Item B of Form 1.8 (<i>Operational and Financial Proposals</i>), (ii) the indicated amounts of the relevant operational proposals described under Item A of Form 1.8 (<i>Operational and Financial Proposals</i>), (iii) the Qualified Respondent's proposed caps on liability (i.e., higher points to be awarded for higher Operator liability caps and lower Owner liability caps) and (iv) the proposed Target Service Commencement Date. 	50%



#	Component	Score / Weighing
11.	<p>Optional Debt Financing Plan</p> <ul style="list-style-type: none"> ○ To be submitted in accordance with the requirements described in Section 4.1.9 of the RFP. ○ Score to be based on the amount, tenor, terms and conditions precedent of the Qualified Respondent’s proposed debt financing. 	5% bonus

Each Qualified Respondent is required to inform the Authority of the occurrence of any material changes to the information submitted with respect to the Qualified Respondent and/or any Team Member in connection with the RFQ Process or the RFP Process, as applicable. If there have been any material changes to the submitted information, the Qualified Respondent must provide details of such changes in accordance with any requirements the Authority may impose at that time.

The Authority and the Partnership Committee may consider any other criterion that, in their sole and absolute discretion, they determine to be appropriate or necessary to award the O&M Agreement pursuant to Act 29 and Act 120.

Section 4.3 of the RFP is hereby deleted in its entirety and replaced with the following:

4.3 Submission Instructions

Each Definitive Proposal must be submitted via PowerAdvocate© on or before the Proposal Submission Deadline. The date and time on which a Definitive Proposal is submitted via PowerAdvocate©, including all document uploads and data sheet entries under each applicable tab, shall be deemed to be the Qualified Respondent’s proposal submittal date.

All communications with the Authority or its designated representative(s) in connection with this RFP must be submitted via PowerAdvocate©. Communications submitted to the Authority or its designated representative(s) in connection with this RFP in any other manner (including via the P3TDProject@p3.pr.gov email address) will not be accepted.

Internet Bidding Platform

Throughout this bid event, documents have been and will continue to be exchanged using the PowerAdvocate© Sourcing Intelligence Platform. Qualified Respondents must submit Definitive Proposals comprised of a combination of uploaded documents and completed data sheets. The data sheets will enable the Authority to quickly perform a comparative analysis of the Qualified Respondents’ responses to this RFP and serve as a checklist to ensure that all required documents have been successfully uploaded.

In order to submit its Definitive Proposal, each Qualified Respondent should comply with the following instructions:

- Definitive Proposals must be submitted using the PowerAdvocate© platform, located at <http://www.PowerAdvocate.com>.
- **Tab 2 – “Upload Proposals”**: Qualified Respondents must upload completed Definitive Proposals under Tab 2 – “Upload Proposals”, including any supporting documents and alternative offerings. All additional attachments required as part of the response to this RFP must be uploaded here.



- **Tab 3 – “Commercial Data”**: Qualified Respondents must complete the “Commercial Data” datasheets located under Tab 3. All required datasheets will be located under Tab 3, including the following:
 - **Tab – “Articles”**: Includes questions that align to the Articles of the O&M Agreement that require the Qualified Respondent to provide confirmation or fill in responses.
 - **Tab – “Annex”**: Includes questions that align to the information required by the Annexes to the O&M Agreement. Qualified Respondents must complete the dashboard questions and indicate the names of files uploaded (as needed) to Tab 2.
 - **Tab – “Exhibit”**: Includes questions that align to the information required by the Exhibits to the O&M Agreement. Qualified Respondents must complete the dashboard questions and indicate the names of files uploaded (as needed) to Tab 2.
 - **Tab – “Definitive Forms”**: Includes questions that align to the information required by the Definitive Forms section of this Addendum. Qualified Respondents must complete the dashboard questions and indicate the names of the files uploaded (as needed) to Tab 2. **If there is overlap between the Definitive Forms in this Addendum No. 6 and/or the Annexes or Exhibits to the O&M Agreement, each datasheet will specify where the Qualified Respondent should complete and submit the data. All requests will be cross-referenced to avoid confusion and ensure consistency of the Qualified Respondent’s responses.**
- It is the responsibility of the Qualified Respondent to ensure that its information is received by the Authority (that is, uploaded and/or saved to the PowerAdvocate© platform) by the Proposal Submission Deadline. A Definitive Proposal received after the Proposal Submission Deadline may be rejected.
- All fields on the Bid Tab Datasheets must be completed. The Authority reserves the right to reject proposals that do not comply with these submission instructions.

Qualified Respondents should be aware that information will be lost if the Qualified Respondent does not click the “Save Data” button when completing online datasheets.

All datasheets must be fully completed for a Definitive Proposal to be compliant with this RFP.

By submitting a Definitive Proposal, the Qualified Respondent specifically authorizes the Authority, PREPA, the Partnership Committee and their respective officers, employees, advisors, counsel, accountants and other consultants and representatives to make any inquiry or investigation to verify the statements, documents and information submitted in connection with such Definitive Proposal, and to seek clarification from the Qualified Respondent’s directors, officers, employees, advisors, counsel, accountants and other consultants and representatives related thereto.

The Authority also reserves the right to make such investigations as it deems necessary as to the qualifications or perceived conflicts of interest of any and all Qualified Respondents. Any appearance of a Conflict of Interest (as defined in Section 5.7 (*Conflicts of Interest and Ineligible Persons*) of this RFP) will constitute sufficient cause for the outright rejection of a Proposal. The Authority reserves the right to accept or reject, in whole or in part, and without further explanation, any or all Proposals submitted and/or cancel this solicitation and reissue this RFP, or another version of it.



The RFP is hereby amended to insert after Annex E the following new Definitive Proposal Forms and delete any proposal forms previously provided:

DEFINITIVE PROPOSAL FORMS:

- Definitive Proposal Form 1.1 – Transmittal Letter
- Definitive Proposal Form 1.2 – Executive Summary and Table of Contents
- Definitive Proposal Form 1.3 – Confirmation of Acceptance of O&M Agreement
- Definitive Proposal Form 1.4 – Approach to O&M Services
- Definitive Proposal Form 1.5 – Front-End Transition Plan
- Definitive Proposal Form 1.6 – Operator Recruitment and Staffing Plan
- Definitive Proposal Form 1.7 – Approach to Performance Metrics
- Definitive Proposal Form 1.8 – Operational and Financial Proposals
- Definitive Proposal Form 1.9 – Optional Debt Financing Plan
- Definitive Proposal Form 1.10 – Bid Security; Other Required Forms and Certifications



Definitive Proposal Form 1.1

TRANSMITTAL LETTER

(To be typed on Qualified Respondent’s Letterhead)

[Date]

Partnership Committee Representative
Request for Proposals –
Puerto Rico Electric Power
Transmission and Distribution System

Dear Partnership Committee Representative:

_____ (the “**Qualified Respondent**”) hereby submits its Definitive Proposal in response to the Request for Proposals for the Puerto Rico Electric Power Transmission and Distribution System (as amended, the “**RFP**”) issued in final form by the Puerto Rico Public-Private Partnership Authority on February 1, 2019, as amended and supplemented.

Capitalized terms not defined herein shall have the meaning set forth in the RFP or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the “**O&M Agreement**”). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

As a duly authorized representative of the Qualified Respondent, I hereby certify, represent and warrant, on behalf of the Qualified Respondent team, as follows in connection with the Definitive Proposal:

1. The Qualified Respondent acknowledges receipt of the RFP and the following addenda:

<u>No.</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

1. The submittal of the Definitive Proposal has been duly authorized by, and in all respects is binding upon, the Qualified Respondent. **Attachment 1** (*Certificate of Authorization*) to this Transmittal Letter is a certificate of authorization that evidences my authority to submit the Definitive Proposal and bind the Qualified Respondent.
2. All information and statements contained in the Definitive Proposal are current, correct and complete and are made with full knowledge that the Partnership Committee will rely on such information and statements in selecting the Selected Proponent and executing the O&M Agreement.
3. The Qualified Respondent certifies under penalties of perjury that the Definitive Proposal has been prepared and is submitted in good faith without collusion, fraud or any other action with any other person taken in restraint of free and open competition for the services contemplated by the RFP. As used in



this Transmittal Letter, the word “person” shall mean any natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

4. Neither the Qualified Respondent nor any Qualified Respondent team member is currently suspended or debarred from doing business with any entity of the Government of Puerto Rico.
5. The Qualified Respondent has reviewed all of the engagements and pending engagements of the Qualified Respondent, and no potential exists for any conflict of interest or unfair advantage.
6. No person or selling agency has been employed or retained to solicit the award of the O&M Agreement under an arrangement for a commission, percentage, brokerage or contingency fee or on any other success fee basis, except bona fide employees of the Qualified Respondent. The Qualified Respondent has inspected the facilities (i.e., commercial offices, central office, energy center(s), transmission centers, substations, etc.) and carefully examined all documents constituting the RFP and the addenda thereto and, being familiar with the work and the conditions affecting the work contemplated by the RFP and such addenda, offers to furnish all labor, materials, supplies, equipment, facilities and services which are necessary, proper or incidental to carry out such work as required by and in strict accordance with the RFP and the Definitive Proposal.

[Signature page follows]



QUALIFIED RESPONDENT

Company Name _____

Name of Qualified Respondent's
Authorized Official _____

Title _____

Signature of Qualified Respondent's
Authorized Official _____

Date _____

(Notary Public) _____

[State/Province] of _____

County of _____

On this _____ day of _____, 2019, before me appeared _____, personally known to me to be the person described in and who executed this _____ and acknowledged that [she/he] signed the same freely and voluntarily for the uses and purposes therein described.

In witness, thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.

Notary Public in and for the [State/Province] of _____

(seal)

(Name printed)

Residing at _____

My commission expires _____



ATTACHMENT 1 TO DEFINITIVE PROPOSAL TRANSMITTAL LETTER

CERTIFICATE OF AUTHORIZATION*

I, _____, a resident of _____ in _____, DO
HEREBY CERTIFY that I am the Clerk/Secretary of _____, a
corporation duly organized and existing under and by virtue of the laws of _____;
that I have custody of the records of the corporation; and that as of the date of this certification,
_____ holds the title of _____ of the corporation, and is authorized to
execute and deliver in the name and on behalf of the corporation the Definitive Proposal submitted by the
corporation in response to the Request for Proposals for the Puerto Rico Electric Power Transmission and
Distribution System issued in final form by the Puerto Rico Public-Private Partnership Authority on
February 1, 2019, as amended and supplemented; and all documents, letters, certificates and other
instruments which have been executed by such officer on behalf of the corporation in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the corporation
this _____ day of _____, 2019.

(Affix Seal Here)

Clerk/Secretary

* Note: Separate certifications shall be submitted if more than one corporate officer has executed documents as part of the Definitive Proposal. Qualified Respondents shall make appropriate conforming modifications to this Certificate in the event that the signatory's address is outside of the United States.



Definitive Proposal Form 1.2

EXECUTIVE SUMMARY AND TABLE OF CONTENTS

_____ (the Qualified Respondent) hereby acknowledges and affirms that the attached documentation (i) constitutes its full and complete submission for Definitive Proposal Form 1.2 and (ii) meets the requirements described in Section 4.1.2 (*Executive Summary*) of the RFP.

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended and supplemented, the "**RFP**") or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the "**O&M Agreement**"). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



Definitive Proposal Form 1.3

CONFIRMATION OF ACCEPTANCE OF O&M AGREEMENT

_____ (the Qualified Respondent) hereby acknowledges and affirms the following:

1. The Qualified Respondent's Definitive Proposal is based on the final form of the O&M Agreement and the information contained in the Data Room as of the date of the Proposal submission Deadline.
2. [The Qualified Respondent accepts and agrees to execute the final form of the O&M Agreement, save for the terms and conditions contemplated for the Qualified Respondent's Definitive Proposal described in Section 4.1.8 (*Operational and Financial Proposals*) of the RFP, immaterial amendments to incorporate party names, details and execution mechanics] OR [The Qualified Respondent accepts and agrees to execute the final form of the O&M Agreement, save for the terms and conditions contemplated for the Qualified Respondent's Definitive Proposal described in Section 4.1.8 (*Operational and Financial Proposals*) of the RFP, immaterial amendments to incorporate party names, details and execution mechanics, and subject to further discussion on the following material comments: [*Qualified Respondent to indicate only a limited number of material, substantive comments*]].

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended and supplemented, the "RFP") or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the "O&M Agreement"). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



Definitive Proposal Form 1.4

APPROACH TO O&M SERVICES

_____ (the Qualified Respondent) hereby acknowledges and affirms that the attached documentation (i) constitutes its full and complete submission for Definitive Proposal Form 1.4, (ii) meets the requirements described in Section 4.1.4 (*Approach to O&M Services*) of the RFP and (iii) addresses the topics below, at a minimum.

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended, the “RFP”) or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the “O&M Agreement”). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

1. Detailed description of the proposed approach to the O&M Services (Annex I (*Scope of Services*) of the O&M Agreement) including, at minimum, the following:
 - a. T&D System Operations
 - b. Capital and Operational Improvements to the T&D System
 - c. Government, Procurement & Media Relations
 - d. Testing, Reporting and Records
 - e. Customer Service
 - f. Human Resources
 - g. Information Technology
 - h. Supply Procurement
 - i. Financial Management and Accounting
 - j. Emergency Response
 - k. Development of Integrated Resource Plan
 - l. Asset Management & Maintenance
 - m. Safety Management
 - n. Administration of System Contracts
 - o. Environmental Management
2. Detailed description of the experience and credentials of the Qualified Respondent’s proposed management team.
3. Federal funding experience and plan for management and procurement of federal funds.
4. Corporate culture and description of alignment of the same with the Project’s objectives.
5. Role and responsibilities of each member of the consortia, as applicable.



6. Organizational Structure of ManagementCo and ServCo.
7. Commitment to the social welfare of the people and communities of Puerto Rico.
8. Commitment to use of local resources and approach to involve local Puerto Rican entities.

[Signature page follows]



QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



Definitive Proposal Form 1.5

FRONT-END TRANSITION PLAN

_____ (the Qualified Respondent) hereby acknowledges and affirms that the attached documentation (i) constitutes its full and complete submission for Definitive Proposal Form 1.5, (ii) meets the requirements described in Section 4.1.5 (*Front-End Transition Plan*) of the RFP and (iii) addresses the topics below, at a minimum.

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended, the “RFP”) or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the “O&M Agreement”). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

1. General and Transition Management

- a. Proposed text of plan to provide Front-End Transition Services to be incorporated into the O&M Agreement as Annex II (*Front-End Transition Services*).
- b. The proposed hourly fully allocated cost rate for each category of employee, affiliate personnel or front-end subcontractor providing Front-End Transition Services, to be included in the O&M Agreement as Annex V (*Front-End Transition Hourly Fully Allocated Rates*).
- c. Detailed description of the contemplated transition team, including plans and timeline for mobilizing transition team members and details on the role to be played by each member of the consortium (as applicable), including the number of transition team members and their general job description/classifications.
- d. Proposed detailed timeline and key milestones for each scope of work including required resources and clear identification of steps to complete each scope of work, leading up to the Qualified Respondent’s proposed Target Service Commencement Date. Include a description of the Qualified Respondent’s views on the feasibility of the Government of Puerto Rico’s strong desire for the Target Service Commencement Date to occur in 2020.
- e. A detailed cost estimate to complete the Front-End Transition Plan, including associated man-hours reflected by such estimate.
- f. Detailed description of the Qualified Respondent’s approach to the development of a communications plan and management transition plan, including of the Qualified Respondent’s proposed approach to dealing with a predominantly Spanish-speaking workforce and an operational interface predominantly in Spanish (i.e., computer and data entry systems).
- g. Development of criteria for commencement of operations.
- h. Description of approach to complying with required and periodic reporting obligations.
- i. Detailed description of the plan for coordinating the obtainment of Governmental Approvals required for the Service Commencement Date.



- j. Description of the plan for coordinating the identification, review and analysis of System Contracts and Generation Supply Contracts.
- k. Identification and analysis of gaps (assets, technology, processes, etc.) and a detailed description of the plan to address each identified gap as well as an estimate of costs.
- l. Development of a Handover Checklist that the Administrator will use to determine when the transition (i.e., the takeover of operations by the Operator) may occur.
- m. Description of approach and plan for filings and interactions with PREB with respect to any required rate increase.
- n. Description of the Qualified Respondent's approach to identifying the proposed profit margin for the Operator on the Front-End Transition Service Fee and the rationale underlying such proposal.

2. T&D Services Milestones

- a. Development and implementation of an operation take-over plan for transmission and sub transmission assets outside and inside of legacy PREPA power plants and substations.
- b. Development and implementation of an operation take-over plan for the electric distribution system.
- c. Operational take-over plans should include but are not limited to the development and implementation of the following:
 - i. Transition plan for respective control center(s)
 - ii. Transition plan for operations and maintenance (O&M) activities
 - iii. Emergency response / disaster recovery / business continuity plans
 - iv. Fleet management plan
 - v. Asset management plan
 - vi. Workforce management and training plan (can be included in the human resources management plan)
 - vii. Safety management plan
 - viii. Engineering and asset management plan
 - ix. Identification of real estate
 - x. Materials management and warehouse plan
 - xi. System operations plan
 - xii. Vegetation management plan



- d. Updating operations manual and business continuity / disaster recovery plan.
- e. Conducting environmental exposure assessment and establishing an environmental exposure management plan.
- f. Detailed budget forecast for expected transition expenditures by scope of work, number of full time equivalents, contractors, US employees and any other costs. Also include a detailed description of key assumptions.

3. System Remediation Plan Milestones

- a. Detailed description of the proposed team that the Qualified Respondent expects to designate to prepare the System Remediation Plan, including the individual names, background, prior experience and qualifications of each proposed team member.
- b. Detailed description of the proposed approach to the development of System Remediation Plan, including the Qualified Respondents views on the current state of the T&D System and control, monitoring and information equipment, systems, practices, services (including related hardware, Information Systems and software) and general operating and administrative practices used in connection therewith.
- c. Proposed timeline and key milestones to drafting, revising and finalizing the System Remediation Plan (including milestones involving applicable approvals and subsequent implementation), including estimated costs to be incurred in the development of the System Remediation Plan.
- d. Describe the methodology used to formulate the Qualified Respondent's views of the T&D system, including a description of (i) the information the Qualified Respondent has already analyzed to assess the needs of the T&D System and (ii) information that the Qualified Respondent believes it will need to fully develop the System Remediation Plan within the proposed timeline.

4. Customer Service Milestones

- a. Evaluating customer service facilities and assets
- b. Evaluating and updating customer service policies and procedures
- c. Development of a meter reading plan
- d. Identification and analysis of gaps
- e. Development of a customer service transition plan
- f. Approach to acquisition and replacement of customer service assets
- g. Development and implementation of a service start and shut-off plan
- h. Development of a meter asset management plan
- i. Development and implementation of customer service technology



5. Information Technology (“IT”) / Operation Technology (“OT”) Systems Milestones

- a. Development of an IT / OT communication plan and acceptance criteria
- b. Identification and analysis of gaps
- c. Evaluating IT / OT applications and infrastructure
- d. Development of a cyber security and business continuity plan
- e. Development of an IT asset management program
- f. Development of an IT / OT transition plan and schedule

6. Financial Management Milestones

- a. Detailed description of approach to budgeting and reporting over the transition period and samples of proposed budget and milestone reporting.
- b. Description of approach to complying with initial budget delivery obligations under the O&M Agreement.
- c. Approach to formalizing changes to control processes.
- d. Identifying and evaluating business processes.
- e. Establishing a financial accounting system and account structure.
- f. Preparing Initial Budgets and other financial forecasts.
- g. Establishing bank accounts.
- h. Evaluating and updating the payroll and labor cost reporting systems.
- i. Establishing a delegation of authority matrix and process.

7. FEMA Funds and Federal Funding Procurement Manual Milestones

- a. Detailed description of the proposed team that the Qualified Respondent expects to designate to assist in the preparation of a Federal Funding Procurement Manual, including the individual names, background, prior experience and qualifications of each proposed team member.
- b. Detailed description of the proposed approach to the development of the Federal Funding Procurement Manual and coordinating review by, and responses to comments from, COR3 and FEMA, as applicable.
- c. Views regarding the implementation of procurement processes and the management of government grants and similar types of funds, including a description of federal funds managed in the past and infrastructure programs or projects utilizing federal funds.



- d. Proposed timeline and key milestones to drafting, revising and finalizing the Federal Funding Procurement Manual (including milestones involving applicable approvals and subsequent implementation).

8. Staffing for Front-End Transition Period

- a. Organizational chart outlining general organizational structure proposed, and clearly identifying the Qualified Respondent's key personnel to be involved in various work streams related to the Front-End Transition Period (including a list of subcontractors, descriptions of activities each subcontractor will perform and a detailed description of the strategy for selecting and managing subcontractors).
- b. Detailed description of the individuals that the Qualified Respondent expects to designate to oversee the transition team, including the individual names, background, prior experience and qualifications of each proposed team member.
- c. Number of employees and subcontractors the Qualified Respondent expects to deploy as part of the transition efforts, including detailed description of proposed team divisions and responsibilities.
- d. Detailed description of the proposed approach to providing the Operator's stated requirements for employment to be included in the O&M Agreement as Annex IV (*Operator Employment Requirements*).
- e. Proposed timeline and key milestones to drafting, revising and finalizing the Operator Employment Requirements.

9. Additional Front-End Transition Period Milestones

- a. Detailed description of the proposed team that the Qualified Respondent expects to designate to prepare, assist in the preparation or development and/or negotiate the terms and conditions, as applicable, of each of the following Front-End Transition Period milestones:
 - i. GenCo Shared Services and the related Shared Services Agreement.
 - ii. Emergency Response Plan.
 - iii. Non-Federal Funding Procurement Manual.
 - iv. Physical Security Plan.
 - v. Data Security Plan.
 - vi. Vegetation Management Plan.
 - vii. System Operation Principles.
- b. Detailed description of the Qualified Respondent's proposed approach to meet or otherwise develop each of the following Front-End Transition Period milestones:



- i. Drafting and negotiation of the Shared Services Agreement, including views on the provisions set forth set forth in Annex VI (*GenCo Shared Services*) of the O&M Agreement.
 - ii. Emergency Response Plan, including the assumptions, procedures and actions provided therein, the Qualified Respondent's views on why the proposed plan is suited for Puerto Rico and federal requirements and a description of prior experience in developing similar emergency response or contingency plans.
 - iii. Non-Federal Funding Procurement Manual.
 - iv. Physical Security Plan.
 - v. Data Security Plan.
 - vi. Vegetation Management Plan.
 - vii. System Operation Principles, including the Qualified Respondent's views on the indicative System Operation Principles as set forth in Annex I (*Scope of Services*) of the O&M Agreement, a description of any proposed changes to the contents thereto and a description of the Qualified Respondent's proposed approach to coordinating review and comments from PREB.
- c. Proposed timeline and key milestones to drafting, revising and finalizing (including obtaining the applicable regulatory approvals and coordinating subsequent implementation) each of the following items to be addressed during the Front-End Transition Period:
- i. GenCo Shared Services and the related Shared Services Agreement.
 - ii. Emergency Response Plan (including milestones involving applicable approvals and subsequent implementation).
 - iii. Non-Federal Funding Procurement Manual
 - iv. Physical Security Plan.
 - v. Data Security Plan.
 - vi. Vegetation Management Plan.
 - vii. System Operation Principles.

10. Asset Acquisition

- a. Evaluating existing procurement and subcontracting policies, procedures and systems.
- b. Assuming responsibility for securing use of assets, facilities, IT / OT, etc.
- c. Assuming existing subcontracts.
- d. Views on existing procurement policies and guidelines, including potential modifications thereto.



11. Back-End Transition Plan

- a. Detailed description of the Qualified Respondent's proposed members of the planning team designated to prepare the Back-End Transition Plan.
- b. Detailed description of the proposed approach to the development and implementation of the Back-End Transition Plan, including rights and responsibilities thereunder.
- c. Proposed outline of the Back-End Transition Plan to be included as Annex III (*Back-End Transition Plan*) of the O&M Agreement.

[Signature page follows]



QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



Definitive Proposal Form 1.6

OPERATOR RECRUITMENT AND STAFFING PLAN

_____ (the Qualified Respondent) hereby acknowledges and affirms that the attached documentation (i) constitutes its full and complete submission for Definitive Proposal Form 1.6, (ii) meets the requirements described in Section 4.1.6 (*Operator Recruitment and Staffing Plan*) of the RFP and (iii) addresses the topics below, at a minimum.

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended, the “RFP”) or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the “O&M Agreement”). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

1. General

- a. Organizational chart outlining general organizational structure proposed and clearly identifying the Qualified Respondent’s key personnel to be involved in the proposed structure (identifying their relevant qualifications and experience)
- b. Description of any portions of the work that will be subcontracted, identifying categories that the Qualified Respondent expects to be locally subcontracted.
- c. List of subcontractors, descriptions of activities each subcontractor will perform and a detailed description of the strategy for managing subcontractors.
- d. Detailed description of the Qualified Respondent’s proposed approach to using local entities and the activities they will perform.

2. Recruitment and Staffing Plan

- a. Detailed description of the proposed recruitment and staffing plan, including:
 - i. Job classifications, descriptions (including documentation of responsibilities and duties), and necessary qualifications (i.e., education, licenses, skills, etc.).
 - ii. Qualified Respondent’s proposed approach to dealing with a predominantly Spanish-speaking workforce and managing inter-cultural interactions.
- b. Hiring plan to fill all personnel positions, including proposed timelines for recruitment and training, strategies for outreach, recruitment, screening and enrollment of personnel.
- c. Estimated number of PREPA employees that the Qualified Respondent expects to employ, the expected benefits for such employees and descriptions of the proposed selection criteria regarding such employees.
- d. Detailed description of the proposed review of employee pension and benefit plans, including transfer plans or credit, if any, of existing employees and their accrued benefits and seniority.



- e. Detailed description of the proposed approach to the development of a labor relations plan, including:
 - i. Existing work rules that the Qualified Respondent would propose be removed from collective bargaining arrangements currently in place.
 - ii. Changes and/or amendments to existing collective bargaining arrangements.
- f. Detailed description of the proposed approach to the development of employee retention program.
- g. Detailed description of the proposed approach to the development of employment policies, procedures and handbooks.
- h. Detailed description of the proposed approach to reviewing employment applications, conducting interviews and hiring staff.
- i. Description of how the Qualified Proponent would manage staffing and personnel during emergencies, including organization and communication strategies during the duration of an emergency.
- j. Description of the roles and responsibilities of off-site staff, if any, that will support in the performance of the services and a qualitative (expertise and experience) description of that assistance.

3. Training Plan

- a. Detailed description of the Qualified Respondent's proposed approach to training and development of employees, including:
 - i. a description of the proposed curriculum of initial and ongoing training program for each major staff category, including the Qualified Respondent's approach to identifying industry-informed curriculums and how it would develop and update training curriculums;
 - ii. a description of key training tools and deliverables (i.e., electronic platforms, delivery of manuals and materials to trainee);
 - iii. information on relevant health and safety training programs; and
 - iv. information on who will provide the training (include instructors, additional technical staff and non-technical staff) and the number of hours of training per year.

[Signature page follows]



QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



Definitive Proposal Form 1.7

APPROACH TO PERFORMANCE METRICS

_____ (the Qualified Respondent) hereby acknowledges and affirms that the attached documentation (i) constitutes its full and complete submission for Definitive Proposal Form 1.7, (ii) meets the requirements described in Section 4.1.7 (*Approach to Performance Metrics*) of the RFP and (iii) addresses the topics below, at a minimum.

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended, the “RFP”) or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the “O&M Agreement”). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

1. Views on the indicative Performance Metrics described in Annex VIII (*Performance Metrics*) to the O&M Agreement.
2. Detailed description and background of the key personnel that the Qualified Respondent expects to be designated to become part of the planning team that will prepare a revised Annex VIII to the O&M Agreement during the Front-End Transition Period.
3. Description of how the Qualified Respondent would approach the suggestion of alternative Performance Metrics during the Front-End Transition Period and views regarding potential changes that the Qualified Respondent believes should be made to the indicative Performance Metrics described in Annex VIII (*Performance Metrics*).
4. Proposed timeline and key milestones for the development and finalization of the Performance Metrics, including a description of its proposed approach to coordinating review by, and responses to comments from, PREB.
5. Views and approach to the Incentive Fee, including:
 - a. a maximum proposed Incentive Fee amount per Contract Year based on the indicative Performance Metrics included in Annex VIII of the O&M Agreement;
 - b. a maximum proposed Incentive Fee amount per Contract Year assuming changes were made to the indicative Performance Metrics included in Annex VIII of the O&M Agreement; and
 - c. a detailed explanation of the Qualified Respondent's views on how the agreed-upon maximum annual Incentive Fee should reduce or otherwise change the proposed Fixed Fee.
6. Detailed description of the proposed approach to engaging with the relevant regulatory bodies, including PREB, in proceedings to amend, adjust and/or modify the Performance Metrics.
7. Views on the initial and subsequent optimal time periods for baseline, target and minimum performance levels, as well as the actual levels of achievement for those time periods, for the proposed Performance Metrics.



8. Detailed description of the Qualified Respondent's views on the form and scope of Major Outage Event Performance Metrics, Minimum Performance Thresholds and Key Performance Metrics.
9. Description of the assumptions or dependencies regarding the Project that impact Performance Metrics and any risk associated with Performance Metrics and proposed mitigation strategies.
10. Description of the methods, processes, tools and techniques that will be used for performance measurement and how they will integrate with the O&M Services (e.g., contract management, staffing management, communication management, cost management, subcontractor management, project monitoring and control, risk management, etc.).
11. The Qualified Respondent's ability and commitment to meet the Performance Metrics and earn the Incentive Fee.

QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



Definitive Proposal Form 1.8

OPERATIONAL AND FINANCIAL PROPOSALS

_____ (the Qualified Respondent) hereby acknowledges and affirms that the information included in the following table (i) constitutes its full and complete submission for Definitive Proposal Form 1.8 and (ii) meets the requirements described in Section 4.1.8 (*Operational and Financial Proposals*) of the RFP and (iii) addresses the topics below, at a minimum.

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended, the “RFP”) or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the “O&M Agreement”). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

A. OPERATIONAL PROPOSALS

1. The proposed Target Service Commencement Date pursuant to Section 1.1 of the O&M Agreement.
2. The proposed amount of Owner funding for the Outage Event Reserve Account pursuant to Section 7.5(d)(ii) of the O&M Agreement.
3. The proposed amount of Operator Security Amount pursuant to Section 1.1 of the O&M Agreement.
4. The proposed weekly amount of Delay Liquidated Damages and related maximum cap, pursuant to Section 4.8(a) of the O&M Agreement.
5. The proposed amount of the Operator Damage Cap pursuant to Section 14.6(d) and Annex XIV of the O&M Agreement.
6. The proposed caps per Contract Year and in the aggregate for all Losses during the Term of the Operator’s Liability to Owner Indemnitees under the O&M Agreement, including Disallowed Costs pursuant to Section 18.3(a)(i) of the O&M Agreement.

B. FINANCIAL PROPOSALS

1. The anticipated total amount associated with the proposed Front-End Transition Service Fee pursuant to Section 4.6(b) of the O&M Agreement, based on the Qualified Proponent’s proposed Target Service Commencement Date (as provided in response to Item A(1) above) and including an indicative calculation using a format similar to the chart provided below:

1. Front-End Transition Hourly Fully Allocated Rates per ManagementCo or Affiliate Employee Category (to be included as <u>Annex V</u> to the O&M Agreement)	[\$[•]]
2. Anticipated Number of Hours (per Employee in each category identified in <u>Annex V</u> to the O&M Agreement)	[•]hrs
3. ANTICIPATED TOTAL MAN-HOUR COSTS (product of #1 and #2 above)	[\$[•]]
4. Proposed Profit Margin Percentage	[•]%



5. ANTICIPATED TOTAL PROFIT MARGIN AMOUNT (based on percentage proposed on #4 above)	\$[•]
6. Estimated reasonable and documented costs and expenses incurred by ManagementCo (without markup for profit)	\$[•]
7. ANTICIPATED FRONT-END TRANSITION FEE (the sum of #3, #5 and #6 above)	\$[•]

2. The proposed amounts per Contract Year of the Fixed Fee pursuant to Section 7.1(b)(i) and Annex VII of the O&M Agreement:

Contract Year	Fixed Fee
1	\$[•]
2	\$[•]
3	\$[•]
4	\$[•]
5	\$[•]
6	\$[•]
7	\$[•]
8	\$[•]
9	\$[•]
10	\$[•]
11	\$[•]
12	\$[•]
13	\$[•]
14	\$[•]
15	\$[•]

3. The proposed maximum amounts per Contract Year of the Incentive Fee pursuant to Section 7.1(c)(i) and Annex VII of the O&M Agreement, including related assumptions and rationales:

Contract Year	Proposed Maximum Incentive Fee (based on the indicative Performance Metrics included in <u>Annex VIII</u> of the O&M Agreement)	Proposed Maximum Incentive Fee (assuming changes are made to the indicative Performance Metrics included in <u>Annex VIII</u> of the O&M Agreement)
1	\$[•]	\$[•]
2	\$[•]	\$[•]
3	\$[•]	\$[•]
4	\$[•]	\$[•]
5	\$[•]	\$[•]
6	\$[•]	\$[•]
7	\$[•]	\$[•]
8	\$[•]	\$[•]
9	\$[•]	\$[•]
10	\$[•]	\$[•]
11	\$[•]	\$[•]
12	\$[•]	\$[•]
13	\$[•]	\$[•]
14	\$[•]	\$[•]
15	\$[•]	\$[•]



4. The anticipated total amount associated with the proposed Back-End Transition Service Fee pursuant to Section 16.4(b) of the O&M Agreement and including an indicative calculation using a format similar to the chart provided below:

1. Anticipated Back-End Transition Hourly Fully Allocated Rates per Operator or Affiliate Employee Category	\$[•]
2. Anticipated Number of Hours (per Employee in each category)	[•]hrs
3. ANTICIPATED TOTAL MAN-HOUR COSTS (product of #1 and #2 above)	\$[•]
4. Proposed Profit Margin Percentage (should match the profit margin for the Front-End Transition Period)	[•]%
5. ANTICIPATED TOTAL PROFIT MARGIN AMOUNT (based on percentage proposed on #4 above)	\$[•]
6. Estimated reasonable and documented costs and expenses incurred by the Operator (without markup for profit)	\$[•]
7. ANTICIPATED BACK-END TRANSITION FEE (the sum of #3, #5 and #6 above)	\$[•]

5. The proposed amounts per contract year of the Operator Termination Fee pursuant to Section 14.6(c)(i) and Annex XII of the O&M Agreement:

Contract Year	Operator Termination Fee
1	\$[•]
2	\$[•]
3	\$[•]
4	\$[•]
5	\$[•]
6	\$[•]
7	\$[•]
8	\$[•]
9	\$[•]
10	\$[•]
11	\$[•]
12	\$[•]
13	\$[•]
14	\$[•]
15	\$[•]

6. The proposed amounts per contract year of the Owner Termination Fee pursuant to Section 14.6(c)(ii) and Annex XIII of the O&M Agreement:

Contract Year	Owner Termination Fee
1	\$[•]
2	\$[•]
3	\$[•]
4	\$[•]



5	\$[•]
6	\$[•]
7	\$[•]
8	\$[•]
9	\$[•]
10	\$[•]
11	\$[•]
12	\$[•]
13	\$[•]
14	\$[•]
15	\$[•]

* * *

Proposed amounts should be provided by the Qualified Respondent in nominal US dollar terms.

The Qualified Respondent may supplement each answer provided under this form with brief explanations on the rationale behind each answer (written in concise form).

[Signature page follows]



QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



Definitive Proposal Form 1.9

OPTIONAL DEBT FINANCING PLAN

_____ (the Qualified Respondent) hereby acknowledges and affirms that the attached documentation (i) constitutes a final markup of the revised draft of the Financing Term Sheet included in Annex E to this RFP or a term sheet summarizing the indicative terms and conditions of an alternative financing arrangement proposed by the Qualified Respondent and (ii) meets the requirements described in Section 4.1.9 (*Optional Debt Financing Plan*) of the RFP.

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended, the "RFP") or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the "**O&M Agreement**"). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



Definitive Proposal Form 1.10

BID SECURITY; OTHER REQUIRED FORMS AND CERTIFICATIONS

_____ (the Qualified Respondent) hereby acknowledges and affirms that the attached documentation (i) constitutes its full and complete submission for Definitive Proposal Form 1.10, (ii) meets the requirements described in Section 4.1.10 (*Bid Security; Other Required Forms and Certifications*) of the RFP and (iii) includes the following:

1. The certifications included in **Annex B** (*Federal Funding Certifications and Conditions*) and **Annex C** (*Form of Respondent Certification*) of the RFP.
2. The form included as **Attachment 1** (*Letter of Credit Requirement*) to this Definitive Proposal Form 1.10.

By submitting this form, the Qualified Respondent hereby acknowledges, accepts and agrees to the terms and conditions regarding the Bid Security as described in Section 4.1.10 (*Bid Security; Other Required Forms and Certifications*) of the RFP.

Capitalized terms not defined herein shall have the meaning set forth in the Request for Proposals for Puerto Rico Electric Power Transmission and Distribution System issued by the Puerto Rico Public-Private Partnerships Authority on February 1, 2019 (as amended, the “**RFP**”) or the final form of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the “**O&M Agreement**”). If there is a term defined in both, and their definitions conflict, the definition in the O&M Agreement shall prevail.

QUALIFIED RESPONDENT

Company Name

Name of Qualified Respondent's
Authorized Official

Title

Signature of Qualified Respondent's
Authorized Official

Date



ATTACHMENT 1 TO BID SECURITY; OTHER REQUIRED FORMS AND CERTIFICATIONS

LETTER OF CREDIT REQUIREMENT

(To be typed on Financial Institution's Letterhead)

FORM OF LETTER OF CREDIT

ISSUER: [•] *[Must be Member of the New York Clearing House Association]*

PLACE FOR PRESENTATION OF DRAFT IN PROGRESS: *[Name and Address of Bank/Branch—MUST be NEW YORK, NEW YORK Bank/Branch or SAN JUAN, PUERTO RICO Bank/Branch]*

APPLICANT: [•]

BENEFICIARY: PUERTO RICO ELECTRIC POWER AUTHORITY

LETTER OF CREDIT NUMBER: [•]

PLACE AND DATE OF ISSUE: [•]

AMOUNT: [•]

EXPIRATION DATE: [•]

Issuer hereby issues this Irrevocable Standby Letter of Credit (this "**Letter of Credit**") in favor of Beneficiary in the amount of [words] United States Dollars (US\$[numbers]) (the "**Stated Amount**"). Funds under this Letter of Credit are available to Beneficiary upon Beneficiary's presentation to Issuer of one or more sight drafts drawn on Issuer for a sum or sums in an aggregate amount not exceeding the Stated Amount. Any sight draft under this Letter of Credit shall identify this Letter of Credit by the name of Issuer and the Letter of Credit number, amount and place and date of issue. Such sight draft shall be signed by [an officer of Beneficiary] or his designee and shall contain a statement that Beneficiary is entitled to make such draw or shall be accompanied by a signed statement of [an officer of Beneficiary] to the same effect.

This Letter of Credit shall be honored by Issuer if presented at [NEW YORK, NEW YORK Bank/Branch or SAN JUAN, PUERTO RICO Bank/Branch—Name & Address] on or before [•] (the "**Expiration Date**"). The obligations of Issuer hereunder are primary obligations to Beneficiary and shall not be affected by the performance or non-performance by [Name of Applicant] under any agreement with Beneficiary or by any bankruptcy, insolvency or other similar proceeding initiated by or against [Name of Applicant]. [Name of Applicant] is not the beneficiary under this Letter of Credit and possesses no interest whatsoever in proceeds of any draw hereon. This Letter of Credit shall terminate on the earlier of (i) the close of business on the Expiration Date and (ii) the date on which Issuer has honored one or more draws in the full amount of the Stated Amount. This Letter of Credit may not be transferred by Beneficiary to any other person. Drawings by facsimile to facsimile number [•] are acceptable (each such drawing, a "**Fax Drawing**"), provided, however, that a Fax Drawing will not be effectively presented until Beneficiary confirms, by telephone, Issuer's receipt of such Fax Drawing by calling Issuer at telephone number [•]. Issuer will acknowledge Beneficiary's presentment by electronic mail to the electronic mail address provided to Issuer in the Fax Drawing.



This Letter of Credit shall expire at 5:00 p.m. AST on the Expiration Date, subject to automatic extension as hereinafter provided. Notwithstanding anything to the contrary contained herein, it shall be a condition to this Letter of Credit that it shall be deemed automatically extended, without amendment, for successive periods of one (1) year each from its current or any future expiration dates, but in any event not beyond [insert date] which shall be the final expiration date of this Letter of Credit, unless, at least sixty (60) days prior to the then current expiration date of this Letter of Credit, Beneficiary notifies [Name of Applicant] in writing by certified mail, return receipt requested, at the address provided above (or at such other address as [Name of Applicant] may specify by written notice to Beneficiary), that this Letter of Credit will not be extended beyond the current expiration date hereof; provided that Issuer's obligation to make any payment hereunder in respect of a drawing request made prior to the expiry hereof shall continue until payment is made.

To the extent not inconsistent with the express provisions hereof, this Letter of Credit is subject to the rules of the *International Standby Practices ISP98* ("ISP98"), as interpreted under the laws of the State of New York, and shall, as to matters not governed by the ISP98, be governed and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of law.¹

With respect to any suit, action or proceedings relating to this Letter of Credit ("**Proceedings**"), Issuer irrevocably: (i) submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over Issuer.²

ISSUER

Company Name

Name of Issuer's
Authorized Official

¹ **NOTE TO QUALIFIED RESPONDENTS:** If the Qualified Respondent sources this Letter of Credit from a bank incorporated in the Commonwealth of Puerto Rico, then the Qualified Respondent may replace this paragraph with the following: "To the extent not inconsistent with the express provisions hereof, (i) this Letter of Credit is subject to the rules of the *International Standby Practices ISP98* ("ISP98"), as interpreted under the laws of the Commonwealth of Puerto Rico and (ii) as to matters not governed by the ISP98, this Letter of Credit shall be governed and construed in accordance with the laws of the Commonwealth of Puerto Rico, without regard to principles of conflicts of law."

² **NOTE TO QUALIFIED RESPONDENTS:** If the Qualified Respondent has elected pursuant to the immediately preceding footnote to include in this Letter of Credit the language set forth therein, then this paragraph shall be replaced by the following: "Issuer irrevocably: (i) submits to the exclusive jurisdiction of the Commonwealth Court of First Instance, San Juan Part, in the Commonwealth of Puerto Rico; and (ii) waives any objection which Issuer may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over Issuer."



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority



Title

Signature of Issuer's
Authorized Official

Date



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority



Annex D of the RFP is hereby deleted in its entirety and replaced with the following:

ANNEX D: O&M AGREEMENT



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority



END OF ADDENDUM