



Department of the Treasury

REQUEST FOR PROPOSAL FOR INTERNATIONAL TAX FRAMEWORK ASSESSMENT PROFESSIONAL SERVICES

SECTION ONE- INTRODUCTION

On June 30, 2023 the Financial Oversight and Management Board (hereinafter the “FOMB”) via letter to the Governor of Puerto Rico, Hon. Pedro R. Pierluisi Urrutia, the President of the Senate of Puerto Rico, Hon. José L. Dalmau Santiago, and the Speaker of the House of Representatives of Puerto Rico, Hon. Rafael Hernández Montañez, notified the adoption by the FOMB of the Resolution Certifying the Fiscal Year 2024 Budget for the Commonwealth of Puerto Rico (hereinafter the “Resolution”). This, in accordance with Section 202(c) and (d) of PROMESA where through a multi-step procedure the budget for the Commonwealth of Puerto Rico would be developed, reviewed, and approved.

The aforementioned Resolution in its Section 19, regarding Appropriations under the custody of the Office of Management and Budget (hereinafter the “OMB”), Subsection E of Professional Services establishes a total of one million dollars (\$1,000,000) for Tax Reform assessment subject to the completion of a Request for Proposal.

The international tax landscape is currently undergoing some significant changes where the Organization for Economic Co-operation and Development’s (OECD) Inclusive Framework on Base Erosion Profit Shifting (BEPS) has been continuously evolving to develop an agreement on a two-pillar approach to help address tax avoidance, ensure coherence of international tax rules, and, ultimately, a more transparent tax environment. The BEPS Pillar Two Anti-Base Erosion introduces a global minimum tax of 15 percent for each country where a large multinational enterprise (MNEs) operates, if that country has agreed to BEPS Pillar Two OECD’s framework. The Puerto Rico Treasury Department (hereinafter the “PRTD”) will need professional assessment and counsel regarding these proposed changes and the possible implementation of the Pillar Two OECD’s framework in Puerto Rico and its impact on the Puerto Rico Internal Revenue Code and the Puerto Rico Incentives Code.

The procurement process for the International Tax Framework Assessment Professional Services must comply with the governing laws and legal dispositions, which regulate government contracting including Administrative Bulletin No. OE-2021-029 (OE-2021-029) and Circular Letter No. 013-2021 of the Office of Management and Budget (CC 013-2021). The OE-2021-029, reiterates this Administration’s commitment to guaranteeing the highest levels of transparency in government management and efficiency in the management of public funds and implements specific measures which require the use of open and

competitive processes in the contracting of professional services. This public policy is reaffirmed in CC 013-2021, which indicates the process that needs to be completed in order to comply with open and competitive processes in the contracting of professional services.

1.1 PROCUREMENT CONTACT

The PRTD's procurement contact for this RFP will be; Dominique de Jesus Delgado and Assistant Secretary of Internal Revenue, Roxanna Santiago Ortiz. Email: roxanna.santiago@hacienda.pr.gov, dominique.dejesus@hacienda.pr.gov. Telephone; 787-721-2020, ext. 2669.

1.2 SCOPE

The scope of this RFP is to provide information to interested parties in preparing and submitting Competitive Proposals to meet the requirements for providing international tax consulting services regarding the OECD's Pillar Two Tax Framework and its possible implementation in Puerto Rico.

1.3 PRTD RESERVES THE FOLLOWING RIGHTS CONCERNING THIS RFP:

- Reject or deny proposals that do not meet the requirements contained in this RFP, the completeness and correction of the information requested and the material documents, and compliance with applicable laws (state or federal);
- Request additional information or clarifications regarding the proposal and any other related documents;
- Replace or modify the RFP;
- Correct or clarify areas or any aspect of the RFP;
- Cancellation of the RFP;
- Extend the proposal deadline;
- Appoint an evaluation committee for the review and evaluation of the submitted proposals and identify possible awardees;
- Invite one or more proponents for pre- or post-award submissions and/or negotiations;
- When deemed necessary, request the best and final offers (BAFO's) from interested proponents;

- Renounce informalities and irregularities in proposals that do not affect the substantive content;
- Review the terms and conditions of the contract based on changes in laws and or regulations before and/or after the award of the contract;
- Disqualify proposals if there is evidence of collusion with intent to defraud or other illegal practices by any Bidder;
- Terminate the awarded contract at any time, with or without cause;
- PRTD reserves the right to reject any proposal or parts thereof, as well as to distribute the sections of the required tasks among several proponents;
- PRTD further reserves the right to cancel or amend the request for proposals at any time and invalidate the proposal of proponents who do not fulfill the legitimate purpose of this request;
- Determinations for the award of the proposal shall be made in the best interests of the PRTD. However, the request for proposals or their award does not obligate the PRTD to formalize a procurement process;
- Exercise any other right or take any other action permitted by law.

1.4 CONFLICT OF INTEREST AND CODE OF ETHICS

Every Proponent must comply with the provisions of Act No. 2-2018, as amended, known as the “Anti-Corruption Code for the New Puerto Rico”. It will be an essential requirement to contract with the Government that every person undertakes to abide by the provisions of the Code of Ethics established in the above mentioned law. In addition, the natural or legal person who wishes to participate in the award of an auction or in the granting of a contract, with any government agency or instrumentality, public corporation, municipality, or with the Legislative Branch or Judicial Branch, for the performance of services or the sale or delivery of goods, will submit a sworn statement, before a public notary, in which it will inform whether the natural or legal person or any president, vice president, director, executive director, or member of a board of officers or board of directors, or persons who perform equivalent functions for the legal entity, have been convicted or have been found guilty of any of the crimes listed in Section 6.8 of Law 8-2017, as amended, known as the “Human Resources Administration and Transformation Law in the Government of Puerto Rico ”, or for any of the crimes contained in said Code.

Any person, whether natural or legal, who has been convicted of: violation of Articles 4.2, 4.3 or 5.7 of Law 1-2012, known as "Organic Law of the Government Ethics Office", for violation of any of the crimes serious charges against the exercise of public office or against public funds contained in Articles 250 to 266 of Law 146-2012, as amended, known as the "Puerto Rico Penal Code", for any of the crimes typified in the Code or for any other serious crime that involves the misuse of funds or public property, including without limitation the crimes mentioned in Section 6.8 of Act 8-2017, it will be disqualified from contracting or bidding with any executive agency of the Government of Puerto Rico. for the term applicable under Article 6.8 of Law 8-2017. When a term is not provided, the person will be disqualified for ten (10) years from the date on which the sentence is completed.

Every contract must include a termination clause in the event that the person who contracts with the executive agencies is convicted, in the state or federal jurisdiction, of any of the crimes that disqualify him from contracting under the preceding paragraph. The contracts will certify that the person has not been convicted, in the state or federal jurisdiction, for any of the crimes set forth above. The duty to inform will be of a continuous nature during all the stages of contracting and execution of the contract. Every Bidder is subject to the sanctions and penalties established in Article 3.7. - Sanctions and penalties of Law 2-2018, as amended. (3 L.P.R.A. § 1883f).

1.5 ELIGIBLE PROPONENTS

The entities that may be eligible to participate in this procurement process will have to be organized under the laws of the Government of Puerto Rico, any State of the United States of America or Foreign Country and must demonstrate that those in charge of the required services have at least ten (10) years professional experience in international tax law analysis and Puerto Rico taxes, with special knowledge of the OECD's Inclusive Framework on BEPS Pillar Two. The proponent must have presence in Washington DC and provide qualified and experienced key personnel in the services that they will be offering. The entity and/or the personnel that will provide the services must have knowledge and must have experience in taxation of Multinational Enterprises (hereinafter "MNE's"), International and Puerto Rico tax legislation.

1.6 CLOSING DATE

Proposals are due no later than December 29, 2023 at 4:30 p.m. Requests for extension of this date or time will not be granted. Proposals or unsolicited amendments to Proposals received by the Procurement Officer after the due date and time will not be considered.

Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the time and date set forth in this section for receipt of Proposals.

Proponents must deliver their Formal Proposal at:

By postal mail or in person at:

Puerto Rico Treasury Department

10 Paseo Covadonga

Intendente Ramírez Building

6th Floor Office 620

San Juan, Puerto Rico

ATT: Roxanna Santiago, CPA, Esq., Assistant Secretary of Internal Revenue and Public Policy Area.

Or by Email at:

roxanna.santiago@hacienda.pr.gov & dominique.dejesus@hacienda.pr.gov

1.7 INTERESTED PARTIES BACKGROUND AND EXPERIENCE

Provide a narrative describing the experience of the entity and/or its staff providing services similar to what is requested in this RFP. This description should include:

- Brief description of your entity, identifying the key qualities or services provided that distinguish it from others and that demonstrates at least ten (10) years of international and Puerto Rico tax consulting experience, with special knowledge in the OECD's framework in BEPS Pillar Two and taxation of MNE's.
- Description of one (1) similar project completed in recent years and include reference with contact information.

- Description of the organizational structure and its trajectory, experience and proponent's qualifications that will offer the services related to this project. In the case of contemplating personnel who have not been hired, it must include a description of the jobs and responsibilities that will be carried out.
- Provide a table with the area of specialty and/or academic training, position/function in this project, previous experience and time of experience of the resources that will be involved in the provision of the services stipulated in this document. It is required to include as annexes the Curriculum Vitae (5 pages maximum) of the resources that will offer the required services. Each Curriculum Vitae must not exceed the stipulated pages, respectively, in single space. They must include the qualifications and experiences they possess for the success of this project.

1.8 QUESTIONS AND ANSWERS PROCESS

Interested parties may submit questions related to this request for proposal to the PRTD in writing or by email no later than the deadline established in this request for proposal. Questions should be emailed to: Dominique.DeJesus@hacienda.pr.gov and Roxanna.Santiago@hacienda.pr.gov. The answers to the questions sent will be published via email to all Interested parties under this call. Specific RFP-related questions received after the deadline cannot be answered, except at PRTD's discretion.

1.9 DURATION OF THE PROPOSAL OFFER

All prices, terms and conditions in the Proposal shall remain fixed and valid for 120 days after the closing date for receipt of Proposals or the closing date for receipt of Best and Final Offers (if requested), or the date any protest concerning this RFP is finally resolved. This period may be extended by written mutual agreement between the Proponent and the PRTD. Any Proponent opposing the duration timeline shall send a letter to the Procurement Officer stating the reasons.

The Transmittal Letter accompanying a Proponent's Proposal must contain an acknowledgement of all amendments to this RFP issued prior to the Proposal due date (if there were to be any). Acknowledgement of the receipt of amendments to the RFP issued after the Proposal due date shall be specified in the amendment notice. Failure to receive

or acknowledge receipt of amendments does not relieve the Proponent from complying with all terms of any such amendment.

1.10 CANCELLATION OF THE RFP

PRTD may cancel this RFP, in whole or in part, whenever this action is determined to be fiscally advantageous to the Government of Puerto Rico. If the RFP is canceled, a notice of cancellation will be provided to all prospective interested parties who were sent the Letter of Intention or otherwise are known by the Procurement Officer to have obtained this RFP.

1.11 INCURRED EXPENSES

All expenses incurred by the Proponents will be solely borne by the proponent, the PRTD or the Government of Puerto Rico, is in no way responsible for any expense incurred regarding the preparation and submission of any response nor any attendance to meetings, discussions or demonstrations, or any additional requested information.

SECTION TWO- PROPOSAL FORMAT

Proposals should be prepared in accordance with all instructions, guidelines, conditions, and requirements set out in the RFP. Interested Parties are expected to examine this RFP and all documents and requirements (explicit and implicit) in their entirety, and to respond to them fully and accurately. Failure to comply with any condition of the RFP may cause the corresponding proposal to not be recommended. The request for proposal process is for the benefit of the PRTD and is intended to provide the PRTD with the necessary information to support the evaluation and selection of the required elements.

2.1 General instructions for drafting the proposal:

1. The proposal must be written on a computer, on letter-sized paper (8.5"x 11").
2. Proposals prepared in word processors should be written in:
 - a. Font size 12
 - b. Times New Roman or Arial fonts
 - c. Space and a half, except for tables that must be single space

3. The proposal must comply with all the particulars included in this call.
4. All sections must be titled.
5. Annexes should be included and identified at the end of the proposal. Avoid including annexes that have not been expressly requested.
6. Any proposal submitted must be of original authorship of the submitting entity. In the event that plagiarism is discovered, the PRTD has the right to remove the application or proposal and not be considered for evaluation and prevent the participation of the proposer in future calls.
7. Proposals will not be accepted after the established date and time. Amendments to the proposal will also not be accepted once it has been filed.
8. A Cover Letter must be included with the general information of the company, that includes, but is not limited to: name, address, contact person, phone number and contact email.
9. The Proposal must also include an Executive Summary that will include an overview of the company, its professional experience in tax matters, achievements, administrative capacity in terms of human, technological and fiscal resources to meet the requirements of the requested services. Must also provide a brief of the goals, objectives, and expected results.
10. A Cost of the Proposal must be included, presenting the total costs and a brief description of them.

SECTION THREE- PROPOSAL EVALUATION

3.1 QUALIFYING PROPOSALS

Proposals must be received by the closing deadline to be evaluated, in accordance with the criteria listed in the Evaluation Criteria section, by an Evaluation Committee established by the PRTD. The Evaluation Committee can request additional information to be submitted in writing or by any other manner as it may be requested.

Submitted proposals will be initially verified by the Evaluation Committee to establish compliance with the procurement process guidelines. Once the initial evaluation is

completed, the qualifying proposals will be reviewed based on the Evaluation Criteria for the selection of the proposal that will be awarded the contract.

3.2 EVALUATION CRITERIA

The Evaluation Committee will carry out its scoring process according to the following criteria:

- Entity Requirements: must be a legal entity duly organized under the laws of the Government of Puerto Rico, the United States of America or other Country, with physical presence in Washington DC.
- Professional Experience: must be a certified public accountant and/or attorney firm with at least ten (10) years international and Puerto Rico tax consulting experience, with special knowledge in the OECD's framework of BEPS Pillar Two.
- Staff Qualifications: Staff must have International and Puerto Rico tax knowledge, with special knowledge in the OECD's framework of BEPS Pillar Two:
 - Adopting country challenges that may be faced in the adoption of the BEPS Pillar Two laws and regulations.
 - Multinational Enterprise operational complexities that represent the BEPS Pillar Two adoption.
 - Possible effects of the BEPS Pillar Two on the ERP System.
 - Regulatory changes that must be made in order to comply with BEPS Pillar Two requirements.
 - Extensive experience in legislative, regulatory, and technical tax policy matters at a local and international level.
- Organization Chart and Personnel: Description and position of personnel assigned to provide the service on the proposal. Must have an availability of at least 40 hours a week per person to be assigned to this project.
- Technological capabilities: proficiency in technology systems and capability to continue work during disasters.
- Potential conflict of interest: ensure that the professional and personal relationships of the interested party, past or present, are not in conflict with the contractual relationship with the Government of Puerto Rico and in compliance with Act 1-2012, as amended requirements.
- Content and Overall Format: general presentation of the proposal in compliance with the required documentation and information.

3.3 PROPOSAL REJECTION AND ACCEPTANCE

The PRTD reserves the right to reject any or all proposals, to waive minor informalities and irregularities within any Proposal, or to accept all or part of a Proponent's Proposal.

Failure to comply with the requirements of this RFP may result in a disqualified Proposal as non-responsive. Such disqualification may occur at any time following the public opening of a Proponent's Proposal. By submitting a Proposal, the Proponent reaffirms its acceptance of the terms and requirements of this RFP, including its amendments. In addition, the Proponent asserts that its Proposal is not subject to any exception, elimination or qualification. A proposal submitted in response to this RFP will be binding to offer.

3.5 PROPONENTS INQUIRIES

Unless otherwise stated, prospective Proponents may make inquiries, by email, related to this RFP for clarification of the requirements. There will be no inquiries accepted after the the following date: December 14, 2023. All inquiries will be made to the following email: Dominique.DeJesus@hacienda.pr.gov and Roxanna.Santiago@hacienda.pr.gov.

SECTION FOUR – AWARD

4.1 PROPOSAL SELECTION

The Evaluation Committee will classify all the competitive proposals regarding professional expertise and cost, in view of the best interest for the PRTD. This after having evaluated the areas of compliance with the procurement process and determined as competitive.

4.2 PROTESTED PROPOSAL SOLICITATION

Any Proponent who feels aggrieved in relation to the application or award of a contract may present or send a protest to: Dominique.DeJesus@hacienda.pr.gov and Roxanna.Santiago@hacienda.pr.gov .

The protest will be filed in writing within ten (10) calendar days from the date of the Notice of Award. Protests, objections and requests for reconsideration regarding selection and award the process for this RFP should be carried out in accordance with this section. Any adverse Proponent affected by a decision of the PRTD in relation to this procurement process,

including the rejection of a Proposal and the award of the Contract, may submit a request for reconsideration to the PRTD, at Dominique.DeJesus@hacienda.pr.gov and Roxanna.Santiago@hacienda.pr.gov . A request for reconsideration, and any other protest, shall be made in writing, and will identify the reason and name of the requesting party or protester, and must contain a detailed statement of the factual and legal grounds of the request or other protest, including copies of the relevant documents.

Protests based on alleged restrictive specifications, violations of the law or regulations, or other alleged irregularities in the application process that are evident prior to the proposal's expiration date will be submitted no later than five (5) business days prior to the Proposal's due date. When the PRTD rejects a proposal, the decision is final, rejection or elimination when notice of the same is given to the concerned Proponents. The PRTD will review such request for reconsideration or other protest and respond to each substantive issue raised in the request or other protest.

The PRTD's decision on a request for reconsideration or other notice of protest shall be delivered to the protesting party. A request for reconsideration or other protest that does not comply with the previous time limits or procedures may be dismissed or denied without consideration. Protests will have a minimum cost of \$2,000 to avoid frivolous protests without any judgment that provides project delays. If it reaches the court, and PRTD obtains a judgment in favor of it, the proponent will have to pay the PRTD for the legal costs of representation and an additional costs related to the project delay a total of \$10,000.

4.4 FINALIST NOTIFICATION

Following the review and approval of the Evaluation Committee's recommendation for the award, the PRTD will email a "Notice of Intent to Award a Contract" to all Proponents indicating which proposal obtained the highest score according to the evaluation criteria.

4.5 PROPONENT AWARD

The Evaluation Committee will make a recommendation for award of the Contract to the qualified Proponent whose Proposal is determined to be most advantageous to the PRTD based on the results of the final evaluation of this procurement. In making the most advantageous Proponents determination, technical expertise and experience criteria will be

given greater weight than price factors. Contract award, will be subject to the corresponding Governmental contracting requirements and approvals.

4.6 POST AWARD ORIENTATION

Once the PRTD sends the Notice of Intent to Award a Contract to all Proponents duly qualified as competitive under this procurement process, and the term to submit a protest or inquiry expires, a Post-Award Orientation Conference will be scheduled. The participation of the representatives of the Awarded Company in conjunction with the PRTD assigned project staff must occur in order to discuss contracting details and to coordinate a kickoff meeting.

4.7 CONTRACT TERM

The Contract awarded as a result of this solicitation shall be for a period of three (3) years.

4.8 CONTRACTOR & SUBCONTRACTOR

The Contract for the services required in this RFP will include the appropriate clauses of responsibility, confidentiality and anti-fraud. Likewise, the awarded contractor will be responsible for all the sub-contractor's actions included in its offer. The contractor must notify the intention to incorporate or change a subcontractor so that it is accepted by the PRTD.