



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

REQUEST FOR PROPOSALS (“RFP”)

For Professional Services in connection with the Development and Execution of an Accounting Remediation Plan for the Puerto Rico Electric Power Authority (“PREPA”)

RFP #2024-3

Issuance Date: March 14, 2024

Proposals Submission Due Date & Time:

April 3, 2024, 11:59 pm (AST)

Proposals must be submitted to: rfp@aafaf.pr.gov

**Documents must be submitted electronically to the specified email address. Hand
delivery and postal mailed documents will not be accepted.**

No Telephone Inquiries Will Be Accepted



Introduction

The Secretary of the Puerto Rico Department of the Treasury (“Treasury” or “PRDT”) and Chief Financial Officer of the Government of Puerto Rico pursuant to Executive Order No. 2021-018 (“Secretary” or “CFO”) is responsible for executing the provisions established in Act No. 230 of July 23, 1974, as amended, known as the “Government of Puerto Rico Accounting Act” (“Act 230”). In accordance with Article 5 of Act 230, the Secretary shall prepare and issue all financial reports at the end of each fiscal year and each government entity shall provide to the Secretary the audited financial statements related to its financial conditions and operations, as requested by the Secretary and as deemed necessary to carry out his duties under Act 230. Also, as part of such roles, the Secretary must ascertain proper operational accounting and financial reporting for all Government entities.

The Puerto Rico Electric Power Authority (“PREPA”) is a government entity with the responsibility of providing the Secretary and CFO with all financial reports and information requested and deemed necessary by the Secretary to carry out its duties under Act 230. Consequently, the Secretary has identified the need to establish enduring, proper, effective and agile accounting processes aimed at achieving the timely issuance of PREPA’s audited financial statements to ensure the timely issuance of the Commonwealth’s audited financial statements.

1. Purpose of the Request for Proposal (“RFP”)

PRDT and the Secretary are seeking advisors to (1) assess PREPA’s current accounting procedures and practices and provide recommendations on areas of opportunity and improvement; (2) develop a proposed plan to execute such recommendations for PRDT and PREPA’s review; and (3) in case of acceptance of the proposed plan, provide guidelines and assistance to Treasury and PREPA in the execution of the plan.

2. Scope of RFP

PRDT will only consider proposals that are responsive to the scope included below and any deviation from the requested scope may result in disqualification at the Treasury’s sole discretion. Responses must address the following:



- a. Advisory Services:** Please provide a description of your firm’s capabilities to serve as provider of professional services including, but not limited to the following:
- i.** Assessing PREPA’s current accounting procedures and practices and providing recommendations on areas of opportunity and improvement, including options to ascertain reconciled trial balances, related operational subledgers and required financial reports for proper PREPA’s asset segregations. The assessment should at least include:
 - a. Define the current scenario through review of documentation, systems and inquiries, such as:
 - i. Restructured entities and current reporting structure;
 - ii. Prior fiscal year audited financial statements;
 - iii. Historical trial balances and related asset transactions;
 - iv. Financial reporting policies and procedures by entity; and
 - v. Systems of record for asset transactions, entity trial balances and consolidated financial statements, among others.
 - b. Assess PREPA’s trial balance and prepare a detailed roadmap to ascertain audit readiness for an asset split by key financial areas:
 - i. Bank reconciliations;
 - ii. Inventory Subledger;
 - iii. Fixed Assets;
 - iv. Customer Care and Billing System; and
 - v. Balance Sheet Split (as contractually defined).
 - c. For each identified key financial area:
 - i. Define root causes for issues, if any.
 - ii. Determine and propose a path for audit readiness for an asset split.
 - iii. Analyze and propose steps towards a solution by determining resources and required milestones and timeline.



- ii. Developing and providing for Treasury and PREPA's review a written plan with the proposed solutions and recommendations, necessary resources, milestones and timeline for each key financial area.
 - iii. Assist PRDT and PREPA in the implementation of the approved plan, providing project management resources and subject matter experts which will provide guidance and advisory during the execution of the plan.
- b. Fees and Expenses:** Provide a fee proposal for the requested services and pricing methodology, including an estimate of reasonable out-of-pocket expenses.
- c. Relevant Experience:** Provide a description of your firm's experience with similar projects.
- d. Proposed Approach and Key Personnel:** Provide a description of the approach your firm will use to execute the proposed services. Indicate key personnel to be assigned to perform the services. Provide a brief description of the experience of the key personnel, including their specific roles under the prospective scope of work. Key personnel are defined as those who will be assigned and performing the actual services or a portion of them. Provide an organization chart for your team with the designation of primary leadership and day-to-day professionals.

3. Preparation of Proposals

Proposals shall be clear and concise, avoiding the use of promotional materials and focused on responsiveness and completeness. For ease of review, the proposals must be limited to 10 pages or less (inclusive of appendices, and exclusive of disclaimers, conflicts of interest and cover pages) with a minimum font size of 11pts. Excess pages and extraneous materials or appendices will detract from the overall evaluation of the proposal.

4. Key Dates



Target Date	Event
March 14, 2024	Issuance of RFP
March 21, 2024*	Last Day to Submit Written Questions (Request for Clarification) to: rfp@aafaf.pr.gov
March 27, 2024	Responses to Questions, if any
April 3, 2024	Proposal Submission Deadline by email to: rfp@aafaf.pr.gov
April 3-April 10, 2024**	Evaluation of Proposals
At the discretion of the Evaluation Committee and Treasury	Final Determination and Award

* Only written Request for Clarifications will be accepted.

** Treasury reserves the right to require Proponents to hold interviews with and/or give formal presentations of their proposals to the Evaluation Committee (as defined below). See Section 10 for additional information.

5. Submission of Proposals

Proposals must be emailed to rfp@aafaf.pr.gov. Proposals will only be received electronically. Proposals received after the closing date and time will not be accepted. Proponents authorized to do business in Puerto Rico must include with their submission the Certification of Eligibility of the Unique Registry of Professional Services Providers (known in Spanish as “Certificado de Elegibilidad del Registro Único de Proveedores de Servicios Profesionales”), issued by the Puerto Rico General Services Administration (“GSA”).

For submission of the proposal, the proponents shall include the following language in the email subject line:

Attention: Department of the Treasury: Response to RFP #2024-3 from <Proponent name>



The email shall include the proposal as an attachment (in pdf format) containing the corresponding attachments, if any, and the Certification from GSA, as mentioned above.

6. Evaluation Committee

The proposals received in response to this RFP will be evaluated and ranked by a Proposal Evaluation Committee ("Committee"). The Committee will be composed of an authorized representative of (1) PRDT, (2) the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF") and (3) a representative from the Puerto Rico Public-Private Partnerships Authority with knowledge in PREPA's day to day matters. After thoroughly reading and reviewing the proposals, the Evaluation Committee will score the responses to this RFP based on the scope of work as outlined in Section 2, and in accordance with the evaluation criteria detailed in Section 7 below.

All proposals, evaluations and the content of any discussions shall be kept strictly confidential throughout the evaluation and award process. Only top-ranked PRDT and AAFAF officers, members of the Evaluation Committee, consultants, attorneys, and employees of PRDT and AAFAF approved by the above and with a legitimate need to know, shall have access to the proposals and the evaluation results. The Evaluation Committee shall obtain technical and legal support from PRDT and AAFAF's employees, consultants, and attorneys, as needed.

The Evaluation Committee may request a Proponent to clarify a proposal in the event that ambiguities or uncertainties are presented in the proposal or to obtain more information necessary for the Evaluation Committee to make a comprehensive evaluation.

The Evaluation Committee shall report its findings and make its recommendations to PRDT. PRDT, however, may accept the recommendation of the Evaluation Committee, award the Agreement to another Proponent or Proponents, or exercise any of the rights reserved by the PRDT.

Proposals that are not disqualified will be evaluated as to the substantive material, in accordance with the evaluation criteria identified in Section 7.

7. Evaluation Criteria

The Evaluation Committee will first screen proposals for completeness and adherence to the requirements of this RFP. Proposals that are incomplete or otherwise fail to comply



with the requirements of this RFP may be disqualified. Next, Proposals will be evaluated taking into consideration the following evaluation factors:

CRITERIA	WEIGHT
Compliance with Scope of Advisory Services	25
Proposed Fees and Expenses	20
Relevant Experience	25
Proposed Approach and Key Personnel	15
Compliance with General Specifications and Instructions	15

8. Evaluation Scorecard

Point assignments for each evaluation criteria, **except for the Proposed Fees and Expenses criteria**, will be based on the following guidelines:

Outstanding (100% of Maximum Score for a Criterion)	Responses received are excellent and represent an outstanding quality of work. The answers to the questions meet all the service expectations required by PRDT.
Good (75% of Maximum Score for a Criterion)	Responses received are positive and represent a good quality of work. The answers to the questions meet most of the service expectations required by PRDT.
Acceptable (50% of Maximum Score for a Criterion)	Responses received are neutral and represent an acceptable quality of work. The answers to the questions meet some of the service expectations required by PRDT.
Deficient (25% of Maximum Score for a Criterion)	Responses received are poor and represent a deficient quality of work. The answers to the questions meet a few of the service expectations required by PRDT.
Unacceptable (0% of Maximum Score for a Criterion)	Responses received are negative and represent an unacceptable quality of work. The answers to the questions do not meet the service expectations required by PRDT.

9. Proposed Fees and Expenses Evaluation



The Proposed Fees and Expenses criteria will be scored using a standard quantitative calculation where the most points are awarded to the lowest cost and/or the proposal that offers the best value to the Government of Puerto Rico. The proponents that offer the lowest cost and/or the best value will receive the highest score in this criterion. The rest of the proponents will receive their score in accordance with their ranking in descending order.

Prices will be evaluated for reasonableness and fairness. However, it is possible that an award may not go to the Proponent with the lowest price if, in the judgment of the Evaluation Committee, a higher priced proponent offers the best overall value to the Government when also considering the rest of the evaluation criteria.

10. Award Procedure

The award will be made to the proposal that represents the best value to the Government of Puerto Rico and is also in the best interest of the Government. The award will be made by PRDT based on the recommendations provided by the Evaluation Committee. PRDT reserves the right to accept a proposal other than the most financially advantageous proposal. PRDT reserves the right to accept or reject all proposals, to waive any minor informality in proposals, and unless otherwise specified in writing by the proponent, to accept any items in any proposal. Since PRDT may choose to award contracts without engaging in discussions or negotiations, the proposal submitted must present and define the proponent's best offer for performing the services described in this RFP.

PRDT may, at its discretion, require one or more proponents to appear before the Evaluation Committee for an interview or to make a presentation to clarify the contents of their proposal. During such interview, the proponent may be required to orally and otherwise present its proposal and to respond in detail to any questions posed. Additional meetings may be held to clarify issues or to address comments, as deemed appropriate. Proponents will be notified in advance of the time and format of such meetings. The purpose of each meeting shall be to clarify and ensure understanding of the requirements of the contract; improve the technical aspects of the proposal to lead them to comply with the performance specifications and requirements and/or reduce the price; discuss the data that justify the price and the details pertaining to each proposal that can improve it.



The proponents whose offers comply with the provisions established in this RFP will be given fair and equal treatment regarding the opportunity to discuss and revise the proposals. However, as the information that is addressed in said meetings may vary in relation to each proponent, the revisions and discussions shall be based on facts and circumstances particular to each proposal. The proponents shall put into writing any substantive verbal clarification of a proposal. Should discussions and negotiations be held, PRDT may request that the proponents whose proposals comply with the provisions of this RFP submit amendments to the Proposals (“Best and Final Offer” or “BAFO”) that respond to the discussions and negotiations that are conducted.

The commencement of such discussions, however, does not represent a commitment by PRDT to execute a contract or to continue discussions. PRDT may terminate discussions at any time and for any reason. A proposal may be rejected if it is incomplete. PRDT may reject any or all proposals and may waive any immaterial deviation in a proposal. Furthermore, the award notice of this proposal shall not constitute the formal agreement between the parties. It shall be necessary to execute the corresponding contract(s) with PRDT and the awarded proponent(s) shall comply with all the requirements of government contracts pursuant to applicable laws and regulations.

More than one proposal from an individual, firm, partnership, corporation, or association under the same or different names will not be considered. As PRDT may award a contract based on the initial proposal, a proponent must make his initial offer on the most favorable terms available. PRDT reserves the right, however, to have discussions with those proponents falling within a competitive range, and to request revised pricing offers from them and to make an award or conduct negotiations thereafter. PRDT may select and enter negotiations with the next most advantageous proponent if negotiations with the initially chosen proponent are not successful.

PRDT may award contracts to various proponents considering the RFP scope established in Section 2 of this RFP, if it determines that such course of action is in the best interests of, and provides best value to, the Government of Puerto Rico.

Once PRDT makes the corresponding award(s), it will provide written notice of its final determination to all the proponents who participated in the RFP process.

11. RFP Process Requirements and Notices



a. Modification of Proposal

Only written requests for the modification or correction of a previously submitted proposal that are addressed in the same manner as proposal and are received prior to the closing time for receiving proposals will be accepted. The proposal must be corrected in accordance with such written requests, provided that any such written request is plainly marked as “Modification of Proposal **RFP# 2024-3**”. Oral, telephone, or fax modifications or corrections will not be recognized or considered.

b. Withdrawal of Submitted Proposal

The withdrawal of a proposal may be carried out through a written request addressed to PRDT, presented at any time prior to the closing time. The proponent may not present a substitute proposal once their proposal for a certain RFP is withdrawn. No proponent may withdraw their offer or proposal after the closing time.

c. Confidentiality of Responses and Proprietary Information

Trade secrets or proprietary information submitted by a firm in connection with a procurement transaction will not be subject to public disclosure. The firm must invoke the protection of this section prior to or upon submission of the data or other materials and must identify the data or other materials to be protected and state the reasons why protection is necessary. Each individual page considered a trade secret or proprietary information must be labeled “Confidential” in the top right corner. Proponents may not make their entire RFP package or pricing confidential under this provision and PRDT reserves the right to evaluate and determine whether confidential designation is both appropriate and permissible.

Upon completion of this RFP process and after the award has been announced, PRDT may make public its report regarding the selection process, which may contain specific information included in the proposal and related to the process. PRDT will not divulge information designated by the proponent in the proposal as confidential, proprietary, or privileged if it is related to trade secrets, pricing, and proprietary or privileged information.

PRDT may reject proposals containing substantial contents marked as confidential, proprietary, or privileged. Provision of any information marked as confidential or



proprietary shall not prevent PRDT from disclosing such information if required by law. The ultimately awarded contract(s) and all prices set forth therein shall not be considered confidential or proprietary, and such information may be made publicly available.

d. Ownership of Submitted Proposals

All materials submitted in response to this RFP shall become the property of PRDT. Selection or rejection of a proposal does not affect this provision. All proposals submitted in response to this RFP may be subject to public review after the award has been made.

e. Amendments to RFP

PRDT may amend the RFP up to five (5) business days prior to the closing time, when the amendment entails additional changes or requests that must be included in the proposal, or three (3) business days before the closing time when the amendment does not affect the presentation of proposals.

f. Rejection of Proposals and Cancellation of RFP

PRDT has the right to reject any or all proposals, to engage in further negotiations with any firm submitting a proposal, and/or to request additional information or clarification. Issuance of this RFP does not constitute a commitment to award contracts. PRDT 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 RFP and reissue it or another version of it, if PRDT deems that doing so is in the best interest of the Government.

Additionally, the Government reserves the right to make investigations, as it deems necessary, as to the qualifications or perceived conflicts of interest of any or all proponents submitting proposals in response to this RFP. Any appearance of a conflict of interest shall constitute sufficient cause for the outright rejection of proposal(s). If any or all proposals are rejected, PRDT reserves the right to re-solicit proposals.

g. Errors or Omissions in Proposals

PRDT reserves the right to waive any minor format non-compliance and/or informalities of submitted proposals if doing so is in the best interest of the Government. PRDT



reserves the right to reject a proposal that contains a substantial error or omission. PRDT also reserves the right to request correction of any errors or omissions and/or to request any clarification or additional information from any proponent, without opening clarifications for all proponents.

h. Subcontractor/Partner Disclosure

A single firm may propose the entire solution. If the proposal by any firm requires the use of subcontractors, partners, and/or third-party products or services, this must be clearly stated in the proposal. The firm submitting the proposal must remain solely responsible for the performance of all work, including work that is done by subcontractors. No additional subcontractors or partners must be added to the contractor's team after proposal submission, except under rare circumstances, and only when fully justified to and expressly approved by PRDT.

i. Prohibited Communications

Any unauthorized communication with officers, employees, or consultants of PRDT or AAFAF, the Evaluation Committee or any other governmental entity participating in the RFP process, other than through the e-mail address herein provided may be grounds for disqualification and will result in rejection of the proposal. Proponents should rely only on representations, statements, or explanations contained in this RFP, in documents that PRDT provides to proponents and in any formal written addenda as may be issued by PRDT at any time during this RFP process.

Any inquiries or requests for clarification shall be submitted by email to the address indicated in Section 4 of this RFP, and by the date established therein. No telephone inquiries or questions will be accepted. Inquiries will be documented, and responses will be sent to known proponents.

j. Public Announcements

Any information or public announcement related to this RFP will be made available on AAFAF and the PRDT's websites, at rfp@aafaf.pr.gov and <https://hacienda.pr.gov>. Any information or other public announcements related to this RFP shall not be made by any party, including proponents, without the prior written approval of PRDT.



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Roberto Sánchez Vilella (Minillas) Government Center, De Diego Ave. Stop 22, San Juan, PR 00907 | PO Box 42001, San Juan, PR 00940-2001

 787.722.2525

 contact@aafaf.pr.gov

 aafaf.pr.gov