

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



**REQUEST FOR SEALED PROPOSALS
(RFSP)**

Number 2411-RFSP-002

**Municipal Relations
Cloud-Based Solution**



Proposal Release Date: November 6, 2024

Proposal Due Date: December 9, 2024 – 9:30 AM AST

AAFAF RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS, TO FURTHER NEGOTIATE ANY PROPOSAL AND TO WAIVE ANY IRREGULARITIES OR NON-COMPLIANCE WITH THE INSTRUCTIONS SET FORTH HEREIN, AT ITS SOLE DISCRETION. ALL PROPOSALS BECOME PROPERTY OF AAFAF UPON SUBMISSION. PLEASE BE ADVISED THAT ANY INFORMATION PROVIDED TO AAFAF MAY BE SUBJECT TO OPEN RECORDS REQUESTS.

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1.0 Definitions

- 1.1 **Act 107-2020:** Act No. 107 of August 18, 2020, as amended, known as the “Puerto Rico Municipal Code”.
- 1.2 **Act 2-2017:** Act No. 2 of January 18, 2017, as amended, known as, “Puerto Rico Fiscal Agency and Financial Advisory Authority Act”.
- 1.3 **Act 1-2011:** Act No. 1 of January 31, 2011, as amended, known as the “Internal Revenue Code for a New Puerto Rico”.
- 1.4 **Bidder:** Any entity or individual that responds to this RFSP.
- 1.5 **Service or Services:** Refers to services to be included by the responder, including, but not limited to, professional services, hardware, software licenses, software programming.
- 1.6 **Government:** The Government of Puerto Rico.
- 1.7 **PRITS:** The Puerto Rico Innovation and Technology Service
- 1.8 **RFSP:** This Request for Sealed Proposal.
- 1.9 **RUL:** Unique electronic registry of suppliers maintained by the PRGSA.
- 1.10 **PRGSA:** The Puerto Rico General Services Administration.
- 1.12 **FinMun:** System used for the administration of Municipal Public Debt. Provides financial analysis information and determines the repayment capacity of municipalities.
- 1.13 **SYC-IVU:** System used for information processing and management of the Municipal Administration Fund.

2.0 Introduction

2.1 Brief Description of the Issuing Agency

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”, by its Spanish acronym), is a component unit of the Commonwealth of Puerto Rico and an independent public corporation and governmental instrumentality with separate legal existence, and fiscal and administrative autonomy. Its main responsibility is to act as fiscal agent, financial advisor and reporting agent of the Government of Puerto Rico, its agencies, instrumentalities, subdivisions, public corporations, and municipalities.

AAFAF’s responsibilities include, among other things: (i) overseeing compliance with the certified budget and fiscal plan approved by the Financial Oversight and management Board for Puerto Rico (“Oversight Board” or “FOMB”) pursuant to Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA); (ii) revising matters including, but not limited to, agreements, transactions, and regulations of the agencies and instrumentalities of the Government of Puerto Rico (the “Government”); (iii) entering into agreements with creditors and/or renegotiating or restructuring the public debt, in whole or in part, or any other debt issued by any Government body including, but not limited to, agencies, boards, commissions, instrumentalities, public corporations, or applicable political subdivisions.

2.2 Overview and Purpose of RFSP

Act 107-2020 provides for the creation of a special fund called the Municipal Administration Fund (“FAM” by its Spanish acronym), which is administered by AAFAF. AAFAF also administers the Municipal Public Debt Fund, for which Act 107-2020 establishes the requirements and criteria for evaluating municipal financing.

To carry out the functions delegated by Act 107-2020, AAFAF uses FinMun and SYC-IVU systems. AAFAF’s current systems -FinMun and SYC-IYU- are outdated and largely limited in regard to the business activities and to the compliance with requirements of AAFAF. This results in longer manual processes.

Consequently, AAFAF is issuing this RFSP to obtain proposals to implement a robust, secure and reliable existing cloud-based solution capable of being adapted to address AAFAF’s needs and comply with actual operations, among others.

2.3 Agency Background

As noted above, AAFAF’s main statutory responsibilities are to act as fiscal agent, financial advisor and reporting agent of the Government, its agencies, instrumentalities, subdivisions, public corporations, and municipalities. AAFAF is also an important liaison that facilitates collaboration and communication between the Government and the Oversight Board.

AAFAF is currently located at the Roberto Sánchez Vilella (Minillas) Government Center De Diego Ave. Stop 22 San Juan, PR 00907.

The Information Systems Department of AAFAF has the main responsibility of providing the entity’s users and clients with the technology needed along with their data in a safe, accessible and reliable manner.

2.4 Requirements

AAFAF primary objectives and scope (“Requirements”) for this RFSP are as follows:

Key Elements:

- Implementing a robust, secure and reliable existing cloud-based solution capable of being adapted, including but not limited, to:
 - address the needs of AAFAF for the administration of municipal public debt;
 - facilitate and expedite the debt issuance process in a uniform and updated manner, including, but not limited to, the credit process and financing mechanisms, according to the applicable laws and regulations;
 - fit into the solution, the information process and management of the FAM;
 - comply with actual operational needs;
 - other compliance needs.

Challenges:

- The current systems used by AAFAF are not interconnected, and the information is entered manually. Even though there are rules in place for data validation and integration, these are not up to date.
- One of the actual systems was designed in-house and developed years ago with now outdated program codes.
- The current systems do not generate ACH transfers between accounts.

AAFAP expects the proposed solution to be a robust, secure and reliable existing cloud-based solution capable of being adapted to provide, including but not limited to, the following:

- Functionality provided by the actual system FINMUN, please refer to Exhibit B.
- Automated update of interest rates.
- Ability to generate correspondence and notifications.
- Analysis of payment capacity.
- Municipality's access to certain transactions through the Internet.
- Uniformity in reports generated by the system.
- Functionality provided by the actual system SYC-IVU, please refer to Exhibit C.
- Compatibility with up-to-date Windows operating systems.
- Module for the administration of certain municipal funds.
- Capacity for generating certifications and reports.

The Requirements included in Exhibit B and C are an integral part of this RFSP and the foundation of the functional scope of this project. Therefore, they must be thoroughly analyzed by Bidders to be able to present an existing cloud-based solution that comply or can be customized to comply with each Requirement within their Proposal.

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3.0 Proposal Timeline, Process and Format

3.1 Proposal Timeline

Table 1 - Key Procurement Events presented below identify the primary activities, events, and/or key milestones and dates that shall govern this sealed proposal process. These are described further within this document.

Table 1 – Key Procurement Events

Ref.	Activity / Event / Milestone	Due Date	Comments
1	Release of RFSP	Wednesday, November 6, 2024	
2	Pre-Scheduled Pre-Proposal Meeting: Vendor Orientation Meeting	Tuesday, November 12, 2024 3:00 PM AST	Mandatory attendance. To be held virtually. Refer to Section 3.2.2 (Pre-Proposal Meetings)
3	Letter of Intent	Wednesday, November 13, 2024 3:00 PM AST	Mandatory submission. Refer to Section 3.2.2 (Pre-Proposal Meetings)
4	Confidentiality Agreement	Wednesday, November 13, 2024 3:00 PM AST	Submission of signed Exhibit D is mandatory. Refer to Section 3.2.2 (Pre-Proposal Meetings)
5	Vendor Clarification Requests Due	Tuesday, December 3, 2024 3:00 PM AST	All requests for clarifications must be sent by email to the Single Point of Contact as indicated in Section 3.2.1 to the electronic mail address: subastas@aafaf.pr.gov
6	Publication of Written Responses	Friday, December 6, 2024	
7	Proposals Submission Due Date	Monday, December 9, 2024 9:30 AM AST	
8	Opening of Proposals	Monday, December 9, 2024 3:00 PM AST	To be held virtually. Link will be communicated via AAFAF's website*
9	Oral Presentations (at AAFAF's discretion)	Wednesday, January 22, 2025	Mandatory, if requested by AAFAF. Refer to Section 3.6 Proposal Scoring and Final Award Recommendation
10	BAFO Responses Due	Thursday, January 23, 2025 3:00 PM AST	If requested by AAFAF. Refer to Section 3.4.2 Best and Final Offer
11	Evaluation of Submitted Proposals Completed	Wednesday, January 29, 2025	
12	Estimate Vendor Selection: Release of Notice of Intent to Award Contract	Friday, February 21, 2025	
13	Estimate Contract Execution Complete	Friday, March 21, 2025	

* <https://www.aafaf.pr.gov/administrative-document/rfps-rfq>

AAFAF reserves the right to amend the dates presented in Table 1 above, without impacting the RFSP process.

Furthermore, AAFAF reserves the right to amend the RFSP as follows:

- If the amendment involves changes or additional requests that must be included in the sealed proposal:
 - Up to two (2) business days prior to the Due Date and time for *Proposals Submission Due Date*, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.

- If the amendment does not affect the submission of the sealed proposals:
 - One (1) business day prior to the Due Date and time for *Proposals Submission Due Date*, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.

The terms “business” days, “working” days”, and “calendar days” purposely appear throughout this document. As it relates to business days and working days, both federal and local official holidays shall not be considered business days nor working days.

All amendments must be authorized by AAFAF’s Bid Board. AAFAF will notify the Notice of Amendment to the Bidders and it will be published on AAFAF’s website. Therefore, all amendments will be part of the documents and Bidders will have to consider them when submitting their Proposals. No oral statements, explanations, or commitments by anyone will be in effect unless incorporated in the written addendum.

AAFAF reserves the right to order the partial or total cancellation of the RFSP at any moment during the process, even after the Opening of Proposals has taken place, as long as a contract has not been executed.

Issuance of this RFSP does not constitute a commitment to award a contract and the Award Notice shall not constitute the formal agreement between the parties. AAFAF reserves the right to accept or reject, in whole or in part, and without further explanation, any or all proposals submitted. AAFAF further reserves the right to reissue the RFSP or another version of it, if AAFAF deems that doing so is in the best interest of AAFAF and/or the Government.

AAFAF has the right to reject any or all proposals, to engage in further negotiations with any Bidder submitting a proposal, and/or to request additional information or clarification.

3.2 Proposal Process

3.2.1 Single Point of Contact

This RFSP is issued on behalf of AAFAF, who is the sole point of contact regarding this RFSP.

All questions and other communications regarding this RFSP shall be directed to the Single Point of Contact through the following:

Mailing Address:

Puerto Rico Fiscal Agency and Financial Advisory Authority
ATTN: Bid Board – RFSP Number 2411-RFSP-002
PO Box 42001, San Juan, PR 00940-2001

E-mail Address:

subastas@aafaf.pr.gov

Any information or public announcement related to this RFSP will be made by AAFAF through its website (<https://www.aafaf.pr.gov>). Any information or other public announcements related to this RFSP shall not be made by any party, including Bidders, without the prior written approval of AAFAF.

For the convenience of vendors that are not registered in the RUL, copies of the RFSP documents will be available at the following address until the *Vendor Orientation Meeting* on Monday, November 12, 2024, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.

Physical Address:

Puerto Rico Fiscal Agency and Financial Advisory Authority
Roberto Sanchez Vilella (Minillas) Government Center
Diego Ave. Stop 22 San Juan, PR 00907
ATTN: Bid Board

AAFAP assumes no responsibility for representations or statements made by its officers or employees or by AAFAP's personnel prior to the execution of a contract unless such representations are explicitly expressed in this RFSP. Verbal discussions pertaining to modifications or clarifications of this RFSP shall not be considered part of the RFSP unless confirmed in writing. All such requests for clarification shall be submitted in writing. Any information provided verbally by a vendor shall not be considered part of that vendor's proposal.

3.2.2 Pre-Proposal Meetings

AAFAP may hold one (1) or more pre-proposal meetings to clarify doubts related to the RFSP, not less than five (5) working days before the Due Date and time for *Opening of Proposals Complete*, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.

The pre-scheduled pre-proposal meeting will be a vendor orientation meeting, which will take place on the date and time of the *Vendor Orientation Meeting* per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.

Attendance to this pre-scheduled pre-proposal meeting is mandatory for all vendors. Vendors who wish to submit a Proposal shall submit a letter of intent ("Letter of Intent") and the signed "Confidentiality Agreement" before the Due Date and time for *Letter of Intent* and for *Confidentiality Agreement*, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline. Any vendor that submits a Proposal but does not attend the pre-scheduled pre-proposal meeting will be disqualified.

The purpose of pre-proposal meetings is for AAFAP to clarify questions and concerns submitted by vendors related to this RFSP. Failure to attend the pre-scheduled pre-proposal meeting, failure to submit the mandatory Letter of Intent or failure to submit the signed Confidentiality Agreement in Exhibit D may result in disqualification. At AAFAP's discretion, additional pre-proposal meetings may be scheduled for clarification purposes, per Section 3.2.3, Requests for Clarification.

3.2.3 Requests for Clarification

Vendors may request clarification or interpretation regarding any Section of this RFSP as provided in Section 3.1 Proposal Timeline, *Table 1 – Key Procurement Events*, according to the following guidelines:

- The Single Point of Contact will not respond to verbal requests for clarification or interpretation regarding any Section of this RFSP.
- Vendors may request in writing to the Single Point of Contact a clarification or interpretation of any aspect or exception, as the case may be, of any Requirement established in the RFSP before five (5) days prior to the Due Date and time for *Proposals Submission Due Date*, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.
- AAFAP will offer the corresponding answers, within a term of three (3) days, only to vendors complying with mandatory events 2 to 4, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.
- AAFAP will publish any pertinent clarification or interpretation on AAFAP's website. In addition, it will notify said clarification or interpretation individually to each vendor complying with mandatory events 2 to 4, per *Table 1 – Key Procurement Events* of Section 3.1, Proposal Timeline.
- At AAFAP's discretion, additional pre-proposal meetings may be scheduled for clarification purposes with the participation of vendors complying with mandatory events 2 to 4, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.

AAFAF strongly encourages vendors to raise questions and/or concerns related to the Requirements, Proposal format, terms, and conditions set forth in the RFSP immediately after the Vendor Orientation Meeting has taken place and **before** the Due Date and time *Vendor Clarification Requests Due*, both per *Table 1 – Key Procurement Events* of Section 3.1, *Proposal Timeline*.

Questions regarding the RFSP shall only be communicated to AAFAF's Single Point of Contact via the e-mail address specified in Section 3.2.1, *Single Point of Contact*, and within the timeline specified in Section 3.1 *Proposal Timeline*.

Unauthorized communications are defined as communications between an individual or firm and any person other than AAFAF's Single Point of Contact about this proposal process or RFSP and are explicitly prohibited.

From the issuance of this RFSP until the time an award is made, Bidders **shall not** in any way contact AAFAF, its personnel, or any contractor or consultant that assisted with the RFSP drafting and developing process, directly.

Questions regarding the RFSP shall only be communicated to AAFAF's Single Point of Contact via the e-mail address specified in Section 3.2.1, *Single Point of Contact*, and within the timeline specified in Section 3.1 *Proposal Timeline*. This includes in-person visits, phone calls, text messages, e-mails, or any other form of communication. Please do not call with questions as these will not be answered via phone.

Any vendor (or contractor, subcontractor, supplier, or individual acting on behalf of a vendor) who engages in discussion regarding this RFSP with a person other than AAFAF's Single Point of Contact may be disqualified or deemed ineligible for further consideration.

3.3 Proposal Format

Bidders (i.e. vendors that wish to participate) shall submit a sealed proposal ("Proposal") that conforms to the format and content as set forth in this RFSP. Failure to comply with the required format and content may result in disqualification and removal from further consideration. Submitted Proposals shall include all information required and be organized in a manner consistent with the specifications and Requirements of the RFSP.

Submitted Proposals that do not conform and comply with the format and content as set forth in this RFSP shall be deemed to be "Non-Responsive" and may be disqualified and removed from further consideration. All other submitted Proposals shall be deemed to be "Responsive".

AAFAF reserves the right to waive any informality or difference of minor importance in the terms and conditions if the purpose of the request is met and it is beneficial for AAFAF and/or the Government. The deviations may not substantially affect the quality, capacity, or essential characteristics of the requested articles or services.

3.3.1 Proposal Submission

Proposals shall be submitted to and received by the Single Point of Contact at AAFAF AND stamped as received by AAFAF's personnel ("Date and Time Stamp") on or before the indicated Due Date and time *Proposals Submission Due Date*, per *Table 1 – Key Procurement Events* of Section 3.1, *Proposal Timeline*. Proposals not complying with the required Date and Time Stamp will not be considered. No Proposals will be accepted after the date and time established for the submission of Proposals.

Bidders may select to submit their Proposals via one of the following:

Physical Delivery

If Bidder will use private courier, or mail and package delivery service, the Proposal shall be sent to:

AAFAF Municipal Relations RFSP
ATTN: Bid Board – Secretary of Bid Board
TO BE OPENED ONLY BY ADDRESSEE

Puerto Rico Fiscal Agency and Financial Advisory Authority
Roberto Sanchez Vilella (Minillas) Government Center
Central Building
Ground Floor Mailing Room
Diego Ave. Stop 22 San Juan, PR 00907

Mail

If Bidder will use regular mail, the Proposal shall be sent to:

AAFAF Municipal Relations RFSP
ATTN: Bid Board – Secretary of Bid Board
TO BE OPENED ONLY BY ADDRESSEE

Puerto Rico Fiscal Agency and Financial Advisory Authority
PO Box 42001
San Juan, PR 00940-2001

Bidders who mail a Proposal shall allow sufficient mail delivery time to ensure the Proposal is received by AAFAF on or before the Due Date and time.

No faxed or e-mail submission of Proposals will be accepted.

Any Proposal that is received without being identified as provided herein will be treated as ordinary correspondence. Under these circumstances, AAFAF will not be responsible for the sender losing the chance to submit the Proposal in a timely manner, nor may the person demand that the Proposal be acknowledged or allege that the Proposal had been disclosed or opened before it should have been.

All costs associated with the response to this RFSP are the sole responsibility of the Bidder.

Proposals must be endorsed (signed or initialed) by the Bidder who is registered in the RUL. If the Bidder is not registered in the RUL, the Proposal must be endorsed by the person who will submit all the required documents to the RUL.

When a Bidder who is not registered in the RUL appears in a RFSP process and submits a Proposal, the Bid Board shall not reject it due to the fact that said Bidder is not registered in the RUL and will give said Bidder five (5) working days from the *Opening of Proposals*, per *Table 1 – Key Procurement Events of Section 3.1, Proposal Timeline*, to submit all the required documents to the RUL (<https://asg.pr.gov>). Any Bidder that does not deliver the required documents will be disqualified.

Any Bidder registered in the RUL who has submitted a Proposal and is not eligible at the time of opening the proposals will be granted a non-extendable term of five (5) working days, counted from the *Opening of Proposals*, per *Table 1 – Key Procurement Events* of Section 3.1, *Proposal Timeline*, to submit the pertinent information or documents in the RUL. During said period, no award will be made. The Bid Board will be responsible for notifying the Bidder, by telephone and email, of the term granted to update the Bidder's record in the RUL. In the event that the Bidder does not update said records in the RUL during the term provided, the Bidder will be disqualified.

Submitted Proposals may only be amended or modified prior to the Due Date and time *Proposals Submission Due*, per *Table 1 – Key Procurement Events* of Section 3.1 *Proposal Timeline*, by written communication to the Single Point of Contact, duly identifying the following information: 1) Number of the RFSP, 2) Proposal Due Date, 3) Name and address of the Bidder, and 4) Information indicating the reason for the amendment or modification of the Proposal.

Amendments and modifications will be opened in conjunction with the related Proposal.

Corrections to Proposals due to errors must be endorsed by the Bidder with their signature or initials, otherwise the Proposal for the corresponding item or items will be invalidated.

Proposals may be withdrawn by Bidders via written request, addressed to the AAFAF's Bid Board, and submitted at any time prior to time for *Opening of Proposals Complete*, per *Table 1 – Key Procurement Events* of Section 3.1 *Proposal Timeline*. Bidders will not be able to submit a substitute proposal once their Proposal has been withdrawn. No Bidder may withdraw their Proposal after the Due Date and time for *Opening of Proposals Complete*, per *Table 1 – Key Procurement Events* of Section 3.1 *Proposal Timeline*.

At AAFAF's Bid Board's discretion, Best and Final Offers ("BAFO") may be requested, which will allow the Bidder to submit their best offer intended to provide the most advantageous Proposal for AAFAF and the Government.

Upon submitting the Proposal, the Bidder certifies and affirms that, in the event of being awarded and contracted, they shall comply and adhere with all applicable laws and regulations, including, but not limited to, the required clauses of government contracting and the regulations and requirements associated thereto.

3.3.2 Proposal Packaging

Bidders shall submit paper and electronic copies of their Proposal, clearly identifying the Bidder as the owner/sender.

Bidders shall submit electronic copies via CD or DVD drives and ensure these contain all documents, signed forms, support materials and attachments found in the paper copies, accessible via Microsoft Office or Adobe Acrobat applications. Electronic copies will not be submitted via e-mail.

Any Bidder that fails to submit the Proposal in one of the two (2) ways required here will be disqualified.

Details about the required format and content of the submission package are specified below and in the following sections of this RFSP.

Proposal response package - One (1) original paper copy, clearly marked "ORIGINAL COPY"; three (3) hard copies, each clearly marked "COPY"; and one electronic copy, each with a label clearly identifying it "Municipal Relations RFSP - RESPONSE".

Failure to comply with the required number of copies may result in disqualification and removal from further consideration.

Bidders are encouraged to use environmentally preferred packaging materials. If the Proposal is delivered in more than one box or package, all boxes or packages shall be received before the specified Due Date and time. While the appearance and professional presentation of the Proposal is important, the use of non-recyclable or non-recycled glossy paper is discouraged. Bidders are encouraged to submit the Proposal using recycled paper, printed on both sides.

Original and copies shall include all administrative information, all materials, all pricing details, signed forms, detailed responses to the Requirements, written assurances and agreements, and related materials specified as part of the proposed solution response package in this RFSP (see Section 3.4.1, Proposed Solution Response Package). The outside cover of the package shall be marked as follows:

<BIDDER'S NAME>

AAFAF Municipal Relations RFSP-RESPONSE

PROPOSAL DUE DATE: Thursday, December 9, 2024, at 9:30 AM AST (Local Time, San Juan, PR)

3.3.3 Proposal Signatures

In all instances where signature(s) are required, the signature(s) shall be in ink, signed by the Bidder or a duly authorized officer or representative of the Bidder. Such authorized officer or representative must be legally authorized to legally bind the Bidder to execute the performance obligation, as expressed in the Proposal and as defined in this RFSP.

Proposals shall be endorsed (signed or initialed) by the Bidder who is registered in the RUL. If the Bidder is not registered in the RUL, the Proposal must be endorsed by the person who will submit all the required documents to the RUL.

Proposals received without the duly authorized signatures and endorsements explained above may result in disqualification and removal from further consideration.

3.3.4 Proposal Binding

Bidders shall submit the Proposal in 3-ring binders with tabbed section dividers, as further described.

Proposal pages shall be numbered with page numbers appearing at the bottom of each page, centered. The font size used for all narrative descriptions shall be no smaller than eleven (11). Arial or Arial Narrow font is preferred. Bidders are encouraged to submit Proposal that are printed on both sides.

3.3.5 Transmittal Letter

Each Bidder shall submit a Transmittal Letter. The Transmittal Letter serves as a cover letter and shall be included in the Proposal. At a minimum, the Transmittal Letter shall:

- Be signed by an officer of the Bidder that is authorized to make the commitments and representations included in the Transmittal Letter and Proposal.
- Include contact information for persons authorized to act on behalf of the Bidder, including address, telephone number, and e-mail address.

3.3.6 Signature Page

The Signature Page Form (Exhibit A) shall be completed in its entirety and signed in ink by the Bidder or an officer of the Bidder legally authorized to bind the Bidder to the Proposal. A signature page shall be included in the Proposal, directly following the Transmittal Letter.

3.3.7 Restricted Parties

Certain persons/entities are considered "restricted parties" for purposes of this RFSP.

More specifically any person/entity, including its respective shareholders, owners, directors, officers, partners, employees, agents, representative, affiliates, and sub-contractors who (a) is or has in any way participated in the drafting of any aspect or matter relating to this RFSP or (b) has had any communications with any AAFAF entity related to (directly or indirectly) any aspect or matter of this RFSP and/or any of its attachments, is automatically prohibited from submitting a Proposal in response to this RFSP.

All Bidders shall accompany their Proposal with a sworn statement executed by an authorized representative of such Bidder that certifies their absolute and total compliance with this Section. If the sworn statement is untrue regarding any aspect, such Bidder's Proposal shall be invalid without exception.

3.4 Proposal Content

3.4.1 Proposed Solution Response Package

The response submitted as the Proposal shall include:

- A compilation of the Bidder's acknowledgements of and responses to all the bullets listed under each Response Tab (detailed below), including but not limited to, administrative, organizational, financial, legal, and contractual required responses. If Bidder fails to respond as required, the Proposal may be deemed non-responsive, may be rejected, and may receive no further consideration, at AAFAF's discretion.

It is the Bidders' responsibility to submit a competitive response as its Proposal with a competitive price. A "competitive price" is defined as the best and most advantageous price for AAFAF. Prices shall be exact; estimated prices will not be accepted.

The Proposal shall be submitted in accordance with the content, formatting and sequence described below:

- Transmittal Letter
- Signature Page
- Table of Contents

- Response: Tab 1 shall include:
 - *Point of Contact:* The Bidder shall provide one or more point of contact names, addresses, telephone numbers, and e-mail addresses of persons authorized to bind the Bidder and to respond to official questions made by AAFAF's Single Point of Contact.
 - *Subcontractors and Suppliers:* The Bidder shall provide the names, addresses, telephone numbers, and e-mail addresses of all subcontractors and suppliers expected to be contracted by the Bidder and individually specify which, if any are domiciled in Puerto Rico.
 - *Team Members:* The Bidder shall include a written statement confirming that the proposed team includes sufficient resources that are fluent in the Spanish language (preferably, Puerto Rican terminology).
 - *Affirmation:* Statement affirming the validity of the Proposal's content and pricing for one (1) year (365 days) from the date of Release Notice of Intent to Award Contract, *per Table 1 – Key Procurement Events* of Section 3.1, Proposal Timeline.
 - *Debarment:* The Bidder shall provide a written statement assuring AAFAF the Bidder has not been notified of pending suspension or debarment and is not currently suspended or debarred from entering contracts with the Government.

- *Commitments:* The Bidder shall provide a written statement assuring AAFAF the Bidder has no current business engagements or commitments that could negatively impact or otherwise impede their ability to successfully execute the performance obligations set forth in their Proposal.
- Response: Tab 2 shall include:
 - *Dun and Bradstreet Comprehensive Report:* The Bidder shall demonstrate their financial stability and viability by submitting their most recent audited financial statements, and a current Dunn and Bradstreet Comprehensive Report that has been prepared using the Bidder's information, correspondingly, and not that of a parent corporation or other affiliated entity. Bidders must also provide this report for the subcontractors and suppliers identified in their Proposal.
 - *Financial Guarantee:* The Bidder shall provide evidence of insurability from a bond company with an A rating and a written statement indicating that the Bidder is willing and able to provide the financial guarantee bond, as required.
- Response: Tab 3 shall include:
 - *Litigation:* The Bidder shall fully disclose any current and pending litigation, claims and assessments, and formal administrative protests or actions against itself and its subcontractors. Disclosure shall include any notice of default, and any notice of unsatisfactory performance pertaining to a state or federal government entity, private company or non-profit organization related to the performance of services similar to the ones required by this RFSP.
- Response: Tab 4 shall include:
 - *Contract Agreement:* Bidder shall submit as part of the Proposal a list of their terms and conditions for contract agreement. Failure to do so may result in disqualification and removal from further consideration, at AAFAF's discretion.
- Response: Tab 5 shall include:
 - *Qualifications and Experience:* Bidders shall provide evidence of their corporate qualifications for performing work similar to specified in this RFSP. Bidder shall describe capabilities, qualifications, and experience of its resources with similar implementations. Reference checks will be made as part of the evaluation process. Reference checks will not be limited to specific customer references cited in the Proposal but may include other contracts, past or current, with AAFAF, U.S. States and Territories, and other governmental entities. Bidders shall provide no less than three (3) references who can attest to their qualifications and experience. In this Tab, Bidders shall also describe the corporate capabilities of any proposed subcontractors and shall include three references for each subcontractor, who can speak to the subcontractor's qualifications and experience. Bidders shall provide evidence of each subcontractor's intent to participate as part of the Bidder's team.
- Response: Tab 6 shall include:
 - *Executive Summary:* The Bidder shall submit an executive summary that provides an overview of the Bidder's proposed solution and describe the strengths of the Bidder and key features of its proposed solution to meet the Requirements of this RFSP. The Bidder shall describe the approach and methodology to meet the Requirements. The proposed methodology shall clearly describe how the implementation will be tracked and monitored

for purposes of providing AAFAF visibility and monitoring through the implementation project. Bidder shall describe the methodology and tools to help manage the data conversion and upload. Bidder shall clearly describe the quality control procedures to manage, among others, the data conversion and upload.

- Response: Tab 7 shall include:
 - *Project Management, Organization and Staffing*: Bidders shall provide a proposed organization chart for the project that clearly defines how the Bidder shall organize, staff, and manage the implementation project. Bidders shall also include a discussion of the proposed lines of authority, and how the Bidder's project team shall be involved in the administration of the services, including but not limited to the coordination and communication of team members and subcontractors.
- Response: Tab 8 shall include:
 - *Project Team Resources*: Bidders shall provide detailed information, including resumes of key staff members proposed to this implementation project. The provided information shall include if the resource speaks fluent English and Spanish (preferably, Puerto Rican terminology). Bidder shall describe the proposed role per resource, including for example, project manager, technical lead, change control lead, among others. Bidders shall identify the resources to be subcontracted.
- Response: Tab 9 shall include:
 - *Narrative*: Bidders shall submit a narrative (in conjunction with explanatory charts, schedules, plans, among others) that shows, among others:
 - the Bidder clear understanding of the Requirements of the RFSP;
 - the timeline required for the solution implementation, including a detailed implementation plan describing a per stage services/tasks to be performed;
 - the staffing model, including time/hours required per role from AAFAF resources and from Bidder resources;
 - Bidder tasks to assist in the implementation, configuration, and training processes;
 - Bidder tasks to assist in the data conversion and upload;
 - Bidder strategy to keep the proposed solution implementation project timeline;
 - Description on how to manage change control.
- Response: Tab 10 shall include:
 - *Requirements*: Bidders shall describe their acceptance of and indicate the level of compliance with the Requirements for implementing and adapting an existing cloud-based solution to address the AAFAF primary objectives included, but not limited to, Section 2.4 Requirements, including Exhibit B and Exhibit C. Bidder shall respond to each Requirement using the following guide:
 - (I)ncluded in the proposed solution, no customization is needed, however, it may need configuration;
 - (N)ot included in the proposed solution, it is excluded from the proposed solution and will not be provided;
 - (C)ustomization of an existing functionality is proposed;
 - (D)evelopment of a new functionality is proposed.

Aligned with Section 2.4 Requirements, responses N and D are expected to be 30% or less, and responses I and C are expected to be, at least, 70%. Bidder Proposal with less than 70% of expected I and C, combined, may result in disqualification and removal from further consideration, at AAFAF's discretion.

- Response: Tab 11 shall include:
 - Pricing for implementing and adapting/customizing an existing cloud-based solution to address the AAFAF primary objectives included, but not limited to, Section 2.4 Requirements, including Exhibit B and Exhibit C. The offer pricing shall detail all implementation costs, such as:
 - Licensing fees
 - Implementation services (installation, configuration, customization, data conversion and upload, training, among others)
 - Infrastructure fees (one-time, recurrent)
 - Data storage (one-time, recurrent)
 - Others (if any other, details must be provided)

Bidder shall present the total firm, fixed price to perform the work to address all the Requirements of this RFSP.

Pricing shall be binding for at least three hundred sixty-five (365) calendar days from the date AAFAF issues the Notice of Intent to Award Contract.

- Response: Tab 12 shall include:
 - *Exceptions to Requirements or Terms and Conditions:*
If applicable, a Bidder shall provide a written list of exceptions to the Requirements and terms and conditions set forth in this RFSP, in accordance with the guidelines described below.

Any Bidder who refuses to respond to a Requirement or condition by (a) stating a condition or caveat, (b) outlining an expectation, or (c) indicating in its Proposal the existence of limitations and qualifiers that affect the Bidder's ability to comply with the Requirements, technical specifications and terms and conditions set forth in this RFSP, shall include a clearly written explanation and a two-way cross-reference of the section of the RFSP and the section of the Proposal for which each exception applies.

Exception(s) to this RFSP shall ONLY be considered if they are minor and are not expected to materially alter the nature, scope, or quality of performance of the Bidder.

Bidder exceptions are subject to acceptance by AAFAF, who reserves the right in its sole discretion, to determine the materiality of each stated exception and whether to approve or deny the Bidder. The materiality of the proposed exceptions may result in disqualification and removal from further consideration.

- Response: Tab 13 shall include:
 - *Innovation, Technology, and Solution:* Bidder shall describe how the proposed solution complies with new and innovative cloud-based solutions and how it will be kept up to date in terms of innovation and security, among others. Bidders shall describe the infrastructure required for the solution and for the data maintained in the solution.
- Response: Tab 14 shall include:
 - *Cloud-based solution:* Bidder shall describe how the proposed solution provides all the functionality as required by the Requirements. Bidder shall provide technical and functional information and supporting documentation of the proposed product for the solution.

3.4.2 BAFO Package

AAFAP's Bid Board may provide the Bidder with a reasonable opportunity to submit any modification of price or cost, technical aspects or any other aspect of their Proposal that may result from the discussions, once the best and final offer has been requested, per *Proposals Submission Due, Table 1 – Key Procurement Events* of Section 3.1, Proposal Timeline.

The BAFO shall be submitted in accordance with the following content, formatting and sequence described below:

- Transmittal Letter
- Signature Page
- Table of Contents
- BAFO Pricing

Pricing for implementing and adapting/customizing an existing cloud-based solution to address the AAFAP primary objectives included, but not limited to, Section 2.4 Requirements, including Exhibit B and Exhibit C. The BAFO pricing shall detail all implementation costs, such as:

- Licensing fees
- Implementation services (installation, configuration, training, among others)
- Infrastructure fees (one-time, recurrent)
- Data storage (one-time, recurrent)
- Others (if any other, details must be provided)

Pricing shall be binding for at least three hundred sixty-five (365) calendar days from the date AAFAP issues the Notice of Intent to Award Contract.

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3.5 Proposal Evaluation Process

3.5.1 Evaluation Committee

AAFAF's Bid Board will designate an "Evaluation Committee" which will:

- Assist in providing answers to questions submitted by potential Bidders.
- Evaluate the Proposals submitted and assess them in accordance with the terms and conditions set forth in this RFSP.
- Request and participate in onsite visits, pre-proposal meetings and/or oral presentations, if any; and
- Submit to AAFAF's Bid Board the evaluation of all eligible Proposals, including the recommendation for contract award.

3.5.2 Evaluation and Selection Criteria

The purpose of the evaluation process is to identify the Bidder that is best capable of meeting the needs of AAFAF by identifying the Proposal that:

- Meets or exceeds the detailed Requirements described in this document.
- Offers innovative/effective methods for meeting the management of performance and Requirements.
- Proposes skilled and experienced individuals for overall project functions.
- Demonstrates the corporate and team strength required to manage proper change management.

The Evaluation Committee will base its evaluation of Responsive Proposals on the content, formatting, and completeness of the Proposal, including but not limited to the following criteria:

1. Company Corporate Records, Experience and References

Responses to Section 3.4.1, Tab 1 through Tab 5, including but not limited to:

- a. Bidder has relevant experience and a successful corporate track record implementing the proposed cloud-based solution in the private and/or public sector.
- b. Bidder proposed resources have the capabilities, qualifications and relevant experience with similar implementations.
- c. Proposed subcontractors, if any, have the capabilities, qualifications and relevant experience with similar implementations.
- d. Relevance of references provided (please provide references that are readily available to communicate with).

2. Approach and Methodology

Responses to Section 3.4.1, Tab 6 through Tab 7, including but not limited to:

- a. Bidder provides a clear overview of the proposed solution;
- b. Bidder describes the approach and methodology to meet the Requirements;
- c. Proposed methodology clearly describes how the implementation will be tracked and monitored for purposes of providing AAFAF visibility and monitoring through the implementation project.
- d. Bidder has the methodology and tools to help manage the conversion and data upload process.
- e. Bidder clearly describes the quality control procedures to manage, among others, the data conversion and upload.
- f. Proposed organization chart for the project clearly defines how the Bidder will organize, staff, and manage the implementation project.
- g. Bidders clearly described the proposed lines of authority, and how the project team will be involved in the administration of the services, including but not limited to the coordination and communication of team members and subcontractors.

3. Implementation Plan and Project Team

Responses to Section 3.4.1, Tab 8 through Tab 9, including but not limited to:

- a. Bidder proposes an implementation plan and timeline compatible with AAFAF's project objectives and with the necessary stages, and strategy to manage the associated risks while allowing the implementation project to be executed according to the plan.
- b. Bidder describes the risks and potential mitigating solutions to manage the proposed implementation plan, including but not limited to how to keep the implementation project timeline.
- c. Bidder clearly described how to manage change control.
- d. Bidder demonstrates knowledge of the challenges that AAFAF will encounter over the course of this project and proposes an approach that allows for better management of the data and a successful conversion process.
- e. Bidder proposed implementation plan includes the necessary tasks.
- f. Bidder proposed team members information is provided, including among others, resume, proposed role and responsibilities, fluent speaking language, and if subcontracted.
- g. Bidder proposed a staffing model, including time/hours required per role from AAFAF resources and from Bidder resources.

4. Requirements

Responses to Section 3.4.1, Tab 10 and Tab 12, including but not limited to:

- a. Bidder described the acceptance of and indicated the level of compliance with the Requirements for implementing and adapting an existing cloud-based solution to address the AAFAF primary objectives included, but not limited to, Section 2.4 Requirements, including Exhibit B and Exhibit C.
- b. Bidder responded to each Requirement using the following guide:
 - (I)ncluded in the proposed solution, no customization is needed, however, it may need configuration;
 - (N)ot included in the proposed solution, it is excluded from the proposed solution and will not be provided;
 - (C)ustomization of an existing functionality is proposed;
 - (D)evelopment of a new functionality is proposed.
- c. Bidder level of compliance with Requirements.
- d. Detailed exceptions to the Requirements.

5. Pricing

Responses to Section 3.4.1, Tab 11 and Tab 12, including but not limited to:

- a. Proposed pricing versus Requirements compliance.
- b. Pricing information provided in the requested format.
- c. Pricing clearly detailed.
- d. Detailed exceptions to Requirements, technical specifications, and terms and conditions.

6. Cloud-based product

Responses to Section 3.4.1, Tab 13 through Tab 14, including but not limited to:

- a. Bidder described how the proposed solution complies with new and innovative cloud-based solutions and how it will be kept up to date in terms of innovation and security, among others.
- b. Bidder described the infrastructure required for the solution and for the data maintained in the solution.
- c. Bidder described how the proposed solution provides all the functionality as required by the Requirements.
- d. Bidder provided technical and functional information and supporting documentation of the proposed product for the solution.

AAFAF's Bid Board reserves the right to waive any informality if it represents to be favorable and advantageous for AAFAF.

3.5.3 Registry of Proposals Received | Opening of Proposals

On the Due Date *Proposals Submission Due Date*, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline, the Secretary of AAFAF's Bid Board will record the Proposals received in the Register of Proposals Received (hereinafter, the "Registry").

On the Due Date and time for the *Opening of Proposals*, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline, AAFAF's Bid Board will open all Proposals received, as per the Registry.

The Opening of Proposals will be held virtually and be open to the public and any interested person may virtually attend. However, the contents of the Proposals will not be read in public and only the identity of the Bidders will be announced. The link to the virtual meeting room will be published on the AAFAF website.

AAFAF's Bid Board, or its authorized representative, will preside over the Opening of Proposals, and will be responsible for drawing up a record of all incidents within a reasonable period of time in which it will certify the veracity of the statement.

All proposals, evaluations, discussions, and negotiations will be kept confidential during the evaluation and negotiation process until the contract is signed. During that period, only the personnel authorized by AAFAF's Bid Board will have access to the Proposals and the evaluation results.

Proposals will be subject to evaluation by the Evaluation Committee considering the evaluation criteria established in this RFSP. Non-Responsive Proposals may be disqualified and removed from further consideration, at AAFAF's discretion.

AAFAF's Bid Board, with the help of the Evaluation Committee, may determine that one or more than one Proposal best serves the interests of AAFAF.

AAFAF's Bid Board, with the help of the Evaluation Committee, may hold discussions and negotiate with Bidders whose Proposals are within the established selection margins. A Proposal is within the established selection margin when it complies with the Requirements, terms, and conditions established in the RFSP.

If a single Proposal is received or selected, AAFAF's Bid Board, with the help of the Evaluation Committee, may negotiate the terms of the Proposal if it complies with the provisions established in the tender and it is determined that said negotiation would benefit AAFAF. Otherwise, the process will be canceled.

All information and documents provided and/or generated as part of this RFSP are confidential and intended solely for the use of the individual or entity to which they are addressed. Distributing and/or executing any actions while relying on this information is strictly prohibited.

AAFAF will not divulge information that is designated by the Bidder (for each instance explicitly stated in their Proposal) as *confidential, proprietary, or privileged because it is related to trade secrets, pricing, and proprietary or privileged information*.

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

All materials submitted in response to this RFSP shall become the property of AAFAF. Selection or rejection of a Proposal does not affect this provision.

3.5.4 Evaluation of Proposals and Criteria:

Proposals will be evaluated for organization, content, completeness, and quality of information provided by the Bidder on its behalf, and on behalf of its subcontractors, suppliers, and other team members.

Proposals will be evaluated to determine whether a Bidder fully understands and agrees to meet or exceed all financial, legal, administrative requirements, and the Requirements. Bidders who comply with Preferential Laws (as defined below) must present the required evidence.

AAFAF's Bid Board will faithfully comply with the public policy of preferential purchases ("Preference") as provided by the following laws ("Preferential Laws"):

1. Law No. 14 of January 8, 2004, as amended, known as the "Investment in Puerto Rican Industry Act" ("Law 14-2004"). To grant the Preference, the following conditions will be met:
 - a. The Bidder will establish a Preference by submitting the Resolution of the Investment Board, together with the bid price documents;
 - b. In the Resolution, [the Bidder] must mark the line or lines which have been granted the Preference requested;
 - e. Preference requests that are not accompanied by the documents requested for Preference cases as established in the previous paragraphs will not be considered;
 - f. Preference requests will not be considered after the date and time established for the bid opening;
 - g. The Preference percent will be applied to the price offered for the product and the resulting price will be compared with the other prices to determine the lowest bids and the best value;
 - h. The Bid Board may hold exclusive formal bids for preferential groups protected under the provisions of Act 14-2004 to comply with the reserved preferential percentage established in said law;
2. Law No. 129-2005, as amended, known as the "Procurement Reserve Act of the Government of the Commonwealth of Puerto Rico" ("Law 129-2005"). AAFAF will assign a minimum of twenty percent (20%) of the total amount allocated to purchases of its general budget to be granted to micro, small and medium-sized companies, provided that the fiscal situation allows it, and it produces savings to the treasury. It will be observed that half of the aforementioned twenty percent (20%) be awarded to women entrepreneurs who own micro, small and medium-sized companies, provided that said award is beneficial to the treasury.

AAFAF's Bid Board may hold exclusive formal bids for the preferential groups protected under the provisions of Law 129-2005 to comply with the reserved preferential percentage (%) established in said law.

3. Law No. 253-2006, known as the "Law of Multiple Selection Contracts in Procurement Processes". The multiple selection contract will be adopted as one of the options and purchase contracts that will be available and may be used in the acquisition of goods and services.

The multiple selection contract will not mean that the good bid of a formal bid or proposal will be awarded to all the bidders or proponents participating in the process, but to the bidders or proponents that represent the best value for AAFAF. The multiple selection contract will be used when it is determined that this type of contract serves the best interests of AAFAF.

If the Evaluation Committee determines that a Bidder or a Proposal has failed to fully address and respond to or otherwise meet the financial, legal, administrative requirements, and the Requirements set forth in this RFSP, the Evaluation Committee may recommend the Proposal be rejected and removed from further consideration.

Bidders that do not comply with the minimum three (3) references requirement may be disqualified and eliminated from further consideration. If it is determined by the Evaluation Committee that a Bidder has submitted false information within its Proposal, the Bidder's Proposal shall be rejected and eliminated from further consideration.

Proposal evaluation will include:

- Clarity, completeness, and responsiveness of Bidder narrative and supporting materials.
- Information obtained as a result of contacts with references provided by the Bidder for itself, its subcontractors and other team members, specifically about past and current experience; quality of document deliverables, products, and services; and performance, including on-time delivery and sustainable, uninterrupted operations.
- Information obtained as a result of onsite visits and/or oral presentations, if required; and
- Bidder commitments to exceed the Requirements defined in the RFSP, i.e., expanded scope and increased level of service, higher standard of performance, expedited/prompt delivery, and more.
- Pricing competitiveness and adherence to the Requirements.

Failure of the Bidder to address, respond or otherwise meet any Requirement of this RFSP shall result in a lower evaluation score and, upon joint review by the Evaluation Committee, may result in the rejection and disqualification of the Proposal from further consideration.

Failure to comply with the Requirements, considering the Bidder's scoring for the Proposal evaluation may result in a Proposal being deemed as non-responsive and be disqualified and removed from further consideration. Such disqualification may occur at any point following the Due Date and time for *Opening of Proposals Complete*, per *Table 1 – Key Procurement Events* of Section 3.1 Proposal Timeline.

3.6 Proposal Scoring and Final Award Recommendation

The Evaluation Committee may recommend the AAFAF's Bid Board to proceed directly to the contract award, without conducting oral presentations or discussions or demos, and without a request for a BAFO, based on the final score of a Proposal, determined by the sum of all points awarded.

Evaluation of selection criteria, as per Section 3.5.2 Evaluation and Selection Criteria, will make up 100% of a Proposal's final score; pricing being the 30% of the score.

The Evaluation Committee may recommend AAFAF's Bid Board to use individual negotiation regarding the terms, conditions, quality, solutions or prices, or combination of factors, to obtain what is most advantageous for AAFAF.

The negotiation phase shall not create a vested right between AAFAF and any Bidder.

The Evaluation Committee may elect to invite Bidders to present oral presentations and participate in discussions. Proposed project team members are expected to participate, not only Bidder's sales team members. The Evaluation Committee may alternatively request Bidders to accommodate and support an onsite visit by members of the Evaluation Committee to a Bidder or a Bidder's reference (coordinated with Bidder) facilities for a demo, after which the Evaluation Committee may adjust, upward or downward, its scoring of a Bidder's Proposal based on the results of these activities.

If AAFAF's Bid Board elects to hold discussions and negotiations, these will be conducted following these procedures:

- 1) No statement made or action taken by AAFAF's Bid Board or the Evaluation Committee during said discussions and negotiations shall bind AAFAF in any way.

- 2) Each Bidder whose Proposal complies with the provisions established in this RFSP may be invited to attend one or more private meetings with AAFAF's Bid Board or the Evaluation Committee to discuss any element of their Proposal and answer any specific questions provided in said invitation.
 - a) The content and extent of the discussions between the AAFAF's Bid Board and/or the Evaluation Committee and the Bidder will be determined by AAFAF's Bid Board and/or the Evaluation Committee based on the particular facts and circumstances of the Proposal.
 - b) The purpose of each meeting will be to clarify and ensure understanding of the Requirements; improve the technical aspects of the Proposal in an effort to support Bidders in meeting the specifications and performance requirements and/or reduce the price; discuss the data that supports the price and the pertinent details to each Proposal that can improve it.
- 3) Bidders whose Proposals comply with the provisions established in the tender documents will be granted fair and equal treatment in terms of the opportunity to discuss and review the Proposals. However, as the information that is discussed in said meetings may vary in relation to each Bidder, the reviews or discussions will be based on facts and particular circumstances of each Proposal.
- 4) AAFAF's Bid Board, with the help of the Evaluation Committee, may: (a) establish the methods and itineraries to carry out and control the discussions; (b) guide the tenderer on deficiencies in the Proposal so that they have the opportunity to satisfy the Requirements; (c) attempt to clarify any uncertainties related to the Proposal, and otherwise refine the terms and conditions of the Proposal; (d) correct any errors that are deemed to exist, bringing them to the attention of the Bidder, as soon as possible, without publishing information related to other Proposals, or to the evaluation process; (e) provide the Bidder with a reasonable opportunity to submit any modification of price or cost, technical or other modification of any other nature to his Proposal that may result from the discussions; and (f) keep a record of the date, time, place, and purpose of the discussions and the people who attend them.
- 5) After each interview or meeting with any Bidder, the Evaluation Committee will draw up a minute that will include all the essential elements of the interview or meeting. The minute will be part of the record of the process.
- 6) The tenderer will put in writing any substantive verbal clarification to a Proposal.
- 7) Discussions and negotiations may be carried out in whole or in part through written communications without personal meetings or interviews at the discretion of AAFAF's Bid Board or the Evaluation Committee. They may also be carried out through any electronic platform.
- 8) Oral or written discussions will not be required in those cases in which it is determined, based on the existence of a complete and open competition, or based on previous experience regarding the cost of the product or service, that the acceptance without discussion of the most favorable initial Proposal will result in being the most advantageous for AAFAF, provided that all Bidders have been notified in this RFSP document about the possibility of the contract being awarded without discussions.
- 9) If discussions and negotiations take place, AAFAF's Bid Board may request the Bidders whose Proposals comply with the provisions established in the tender documents, to submit amendments to the Proposals that respond to the discussions and negotiations that take place.
- 10) AAFAF's Bid Board or the Evaluation Committee will keep all discussions and negotiations confidential. No information about the Proposals or their evaluations will be discussed with anyone other than the Bidder who submitted them before the contract award.

The Evaluation Committee may recommend AAFAF's Bid Board to request Bidders to submit a BAFO, after which the scoring may be adjusted upward or downward based on the BAFO responses.

The price will not necessarily be the most important factor in the award.

Once all evaluation activities are completed, the final recommendation to award the contract will be presented by the Evaluation Committee to AAFAF's Bid Board.

AAFAF's Bid Board shall issue a "Notice of Intent to Award Contract" to the responsive Bidder whose Proposal was deemed to be the most advantageous for AAFAF. The "Notice of Intent to Award Contract" shall not constitute the formal written agreement between the parties. It shall be necessary for the pertinent contract to be executed in writing and signed by the authorized individuals from each party.

Once AAFAF's Bid Board makes the pertinent award, it will notify the final determination through an Award Notice or Resolution. The Award Notice or Resolution will be duly notified by U.S. certified return receipt requested mail or electronic mail to all the parties that have the right to challenge such determination, i.e., to all the Bidders participating in the process.

3.6.1 Procedure for Reconsideration and Administrative Review of Bids

Pursuant to Section 3.19 of Law 38-2017, as amended, known as the "Uniform Administrative Procedures Act of the Government of Puerto Rico" ("Law 38-2017") the party adversely affected by a decision in the tender process may file a request for administrative review to the PRGSA Bid Review Board within ten (10) days from the deposit in the U.S. Postal Service or the email notification, whichever occurs first, of the award of the bid. The PRGSA Bid Review Board shall determine whether it grants or not the request for administrative review within ten (10) calendar days of its filing. If within that period, the PRGSA Bid Review Board decides to grant the request, it will have thirty (30) additional calendar days to issue a decision on the request, counted from the expiration of the ten (10) calendar days it had to decide whether or not to grant it. The PRGSA Bid Review Board may extend the term of thirty (30) calendar days only once, for an additional term of fifteen (15) calendar days.

If any determination is made on the administrative review, the term to file a motion for judicial review before the Court of Appeals shall begin to run from the date on which a copy of the notice of the PRGSA Bid Review Board decision resolving the request for administrative review is deposited in the U.S. Postal Service or served by email, whichever occurs first. If the PRGSA Bid Review Board fails to take any action in connection with the request for administrative review within the above terms, it shall be deemed to have been denied outright, and the term for judicial review shall begin to run as of that date. Requesting administrative review before the PRGSA Bid Review Board will be a jurisdictional requirement prior to filing a motion for judicial review before the Court of Appeals.

3.6.2 Procedure for Judicial Review of Bids

In accordance with Sections 3.19 and 4.2 of Law 38-2017, in cases of bid challenges, the party adversely affected by an order or final resolution of the PRGSA Bid Review Board may seek judicial review before the Court of Appeals within twenty calendar (20) days—counted from the deposit in the U.S. Postal Service or emailing of the determination, whichever occurs first—either from the decision on the administrative review by the PRGSA Bid Review Board, or the expiration of the term that the PRGSA Bid Review Board had to determine whether or not to grant the request for administrative review. The mere submission of a request for review under Section 4.2 of Law 38-2017 will not have the effect of staying the adjudication of the contested bid.

3.7 AAFAF Approvals and FOMB Contract Review Policy

Contract approval and execution is contingent upon AAFAF approvals. Every effort will be made by AAFAF, both before and after selection, to facilitate rapid approval and an early or 'on schedule' start date for the contractor.

If applicable pursuant to the FOMB Policy: Review of Contracts (“FOMB’s Policy”), all contracts resulting from this RFSP will be subject to review by the Oversight Board. Please refer to the FOMB’s Policy available at: <https://juntasupervision.pr.gov/documents/>.

3.8 Binding Offer

By submitting a Proposal, the Bidder affirms its acceptance of the terms and Requirements of this RFSP, including its attachments and exhibits. Furthermore, the Bidder affirms its Proposal is not contingent upon any exception, deletion, or qualification. A Proposal submitted in response to this RFSP shall constitute a binding offer. Acknowledgment of this condition shall be indicated on the Signature Page and in the Transmittal Letter by the signature of the Bidder or an officer of the Bidder legally authorized to execute contractual obligations. It is assumed by the Bidder’s response that it acknowledges all terms and conditions of this invitation for an offer. Bidders shall identify clearly and thoroughly any variations between its Proposal and AAFAF’s RFSP. Failure to do so shall be deemed a waiver of any rights to subsequently modify the terms of performance, except as outlined or specified in the RFSP.

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3.9 Challenge to the Invitation and the Documents of the RFSP

Any actual or prospective Bidder who is aggrieved in connection with the invitation or with the specifications or with the award of a contract may submit a challenge to:

E-mail Address:

subastas@aafaf.pr.gov

Any Bidder interested in participating in the RFSP may challenge the Invitation to the competitive process, in writing, only when any of the procedures established in these Regulations have not been followed, or when it is considered that the term set to carry out the study and preparation of the Proposal and the date to file the Proposal is not enough. The writing must contain the basis for which the invitation is contested and must be signed by the bidder. The objection letter must be notified by the Bidder to the email address provided by AAFAF in the Invitation for the RFSP, within three (3) working days following the date on which AAFAF sends the invitation by email to the Bidders or from the date of publication of the Invitation on AAFAF's website. If the date of sending the invitation by email to the Bidders is different from the date of publication of the Invitation on AAFAF's website, the term will be counted from the date of publication of the Invitation on the website of AAFAF. The Bidder must, in addition, within the term set forth above, notify via email a copy of the appeal to the other Bidders invited to the formal bid. AAFAF will make the e-mails of said Bidders available in order to allow proper notification. Any written challenge filed outside the term established herein will be rejected outright. As a consequence of the submission of this appeal, the procedures in the challenged competitive procedure will be automatically paralyzed and the subsequent terms will be counted from the notification of the decision of AAFAF's Bid Board, the body that will evaluate and resolve the challenge on its merits within the term of fifteen (15) working days from the date it was received, extendable for just cause or when it is in the best interest of AAFAF.

As a result of the challenge, AAFAF's Bid Board may determine the following:

1. Dismiss the challenge and order that the procedures continue.
2. Amend the Invitation for the RFSP and issue a new one.
3. Cancel the Invitation for the RFSP.

The determination of AAFAF's Bid Board will be notified by email to the appellant and to the Bidders invited to the RFSP process. If the Bidder is not satisfied with this determination, he may request an administrative review, after notification of the award notice, in accordance with the provisions of Section 3.19 of Law 38-2017.

If a Bidder interested in participating in the RFSP does not agree with the final terms, instructions, specifications, or conditions established in the documents, he may contest them. The writing contesting the bidding documents must be notified by the Bidder to the email address provided by AAFAF in the documents, within three (3) working days following the date on which AAFAF made the bid documents available. The Bidder must, in addition, within the term set forth above, notify via email a copy of the appeal to the Bidders invited to the formal bid. Any objection document submitted outside the term established herein will be rejected outright.

The writing challenging the bidding documents must contain the following:

1. The number of the procedure of RFSP.
2. A detailed list indicating the specific parts, specifications and/or conditions established in the documents whose terms are being challenged.
3. The grounds on which the challenge is based and any evidence that supports the outlined argument.

4. A clear indication of the remedy or action sought.
5. The signature of the Bidder.

As a consequence of the submission of this appeal, the procedures in the contested process will be automatically paralyzed and the subsequent terms will be counted from the notification of the determination of AAFAF's Bid Board, the body that will evaluate and resolve the challenge on its merits within the term of fifteen (15) working days from the date it was received.

As a consequence of the challenge, AAFAF's Bid Board may determine the following:

1. Dismiss the challenge and order that the procedures continue.
2. Amend the documents or issue new ones.
3. Cancel the documents of the RFSP.

The determination of the AAFAF's Bid Board will be notified to the appellant and to the Bidders invited to the competitive procedure by email. If the Bidder is not satisfied with this determination, he may request an administrative review, after notification of the award notice, in accordance with the provisions of Section 3.19 of Law 38-2017.

3.10 Cancellation of the RFSP

AAFAF's Bid Board may cancel the RFSP, subject to the following:

- 1) If any of the conditions that exempt AAFAF from the RFSP process arise (exceptional purchases).
- 2) As a result of a challenge.
- 3) For any just cause determined by AAFAF's Bid Board; or
- 4) When AAFAF's Bid Board determines that the cancellation of the RFSP is in the best interest of AAFAF.

The cancellation will be notified by e-mail to the Bidders who have obtained the documents. In addition, a cancellation notice will be posted on AAFAF's website.

3.11 Master Contracts

AAFAF's Bid Board may hold any procedure of the RFSP to award master contracts, under whose previously established terms and conditions, purchase orders may be drawn up if the need described there is identified. Multi-year master contracts may be awarded.

The Executive Director of AAFAF or his authorized representative may authorize the amendment of master contracts to extend their validity for a maximum term of six (6) months. The amendments will be made in a writing titled "Amendment" and must bear the signatures of the parties.

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4.0 Exhibits

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Exhibit A – Signature Page Form

RFSP: Municipal Relations Cloud-Based Solution

Signature Page Form

On behalf of _____, I hereby submit the foregoing Proposal to the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF, for its Spanish acronym) in response to the Request for Sealed Proposal (RFSP) Municipal Relations Cloud-Based Solution.

This submittal is intended to comply with the Requirements of the referenced RFSP, and with the laws and regulations of the Commonwealth of Puerto Rico.

The information contained in this Proposal is true, correct, and accurate, in all respects.

Respectfully submitted.

In _____, _____, on [insert month and date], 2024.

[insert name of Company]

Name: _____

Title: _____

Exhibit B – Functionality of the FINMUN system

I. Main Security Page – User name and password

II. Municipalities

a. Applications and Pre-Applications

i. Application Date

ii. Interest Rate

iii. Term

1. Amortization

2. Balloon Payment

a. Yes or No

b. Amount

c. Date

iv. Type of Application

1. Line of Credit

2. Bond Anticipation Note

3. General Obligation Bond or Note

4. Special Obligation Bond or Note

5. Revenue Bond

6. Others

v. Purpose

1. Description Uses of Funds

2. Source of Payment

vi. Amount

vii. Description

viii. Ordinance or Resolution

ix. Refinancing (Yes or No)

x. Status (Active or Cancelled)

1. Required Information

2. Required Documentation

3. Create Loan

4. Legal Margin Computation

b. Financing Sources

i. Additional Special Contribution (CAE)

ii. Operating

iii. Sales and Use Tax (IVU)

iv. Lottery (FEPEG)

v. Revenue Bonds

vi. Lease Contracts

vii. Community Development Block Grant

viii. Community Disaster Loans

ix. State Revolving Funds

1. Drinking Water

2. Clean Water

x. Municipal Revolving Fund

1. Advances

2. Other

xi. Other Financing Instruments

III. Analysis

a. Repayment Capacity

i. Additional Special Contribution (CAE)

ii. Operating

iii. Sales and Use Tax (IVU)

b. Legal Margin

c. Municipal Financing Agency

i. Portfolio to be Sold

1. Description

2. Date of Issuance

3. Original Amount

4. Analyze for Sale

d. COFIM

i. Portfolio to be Sold

1. Description
2. Date of Issuance
3. Original Amount
4. Analyze for Sale

IV. Reports

a. Audit Debt Confirmation

i. By Source of Funds

1. Original Amount
2. Closing Date
3. Outstanding Balance As Of
4. Outstanding Balance After Payment
5. Maturity Date
6. Description
7. Interest Rate

b. Additional Special Contribution

i. Amortization

1. By Year (All Municipalities)
2. By Year
3. By Holding Institution
4. By Type of Interest

ii. Amortization Tables

1. By Municipalities
 - a. Yearly
 - b. By Loan
2. By Type of Interest
3. By Holding Institution

iii. Outstanding General Municipal Obligation Bonds and Notes

1. By Issuance or Closing Date
 2. By Municipality
 3. By Holding Institution
 - a. Individual
 - b. All
 4. All Municipal Loans
- c. Sales and Use Tax
- i. Amortization
 1. By Year (All Municipalities)
 2. By Year
 3. By Holding Institution
 4. By Type of Interest
 - ii. Amortization Tables
 1. By Municipalities
 - a. Yearly
 - b. By Loan
 2. By Type of Interest
 3. By Holding Institution
 - iii. Outstanding Municipal Special Obligation Bonds and Notes
 1. By Issuance or Closing Date
 2. By Municipality
 3. By Holding Institution
 - a. Individual
 - b. All
 4. All Municipal Loans
 5. All Municipal Loans (with sell code)
- d. Operating Debt
- i. Amortization
 1. By Year (All Municipalities)
 2. By Year

3. By Holding Institution

4. By Type of Interest

ii. Amortization Tables

1. By Municipalities

a. Yearly

b. By Loan

2. By Type of Interest

3. By Holding Institution

iii. Outstanding Special Municipal Obligation Bonds and Notes

1. By Issuance or Closing Date

2. By Municipality

3. By Holding Institution

a. Individual

b. All

4. All Municipal Loans

5. All Municipal Loans (with sell code)

iv. Debt Service

1. All Municipalities

2. By Holding Institution

3. By Interest Type

v. All Municipalities Margin Test

1. Legal Margin

2. Repayment Capacity

3. Terms

4. Interest Rate

5. Rural Development

V. Process

a. Interest Rate Change (Spread)

i. Source of Financing

ii. Holding Institution

iii. Type of Interest (Fixed or Variable) (Prime, LIBOR or Other)

1. All

2. Individual

iv. Payment Instructions

VI. Municipality WEB Access

a. Upload application

b. Request for services

i. Excess of Additional Special Contribution

ii. Excess of Sales and Use Tax

iii. Legal Margin

iv. Repayment Capacity

v. Pending application reports

VII. General Application Settings & Database

a. Portfolio Specialist (Primary and Backup)

i. By Municipality

ii. Specialist Name

iii. User Code i

v. Title

b. Fund Redemption Bank Account Information

i. Additional Special Contributions

ii. Sales and Use Tax

iii. Other

c. Property Taxes by Municipalities (Data Import Option)

i. Real Property

ii. Personal Property

iii. By Year

iv. Ad Valorem

d. Additional Special Contribution Revenues

i. By Municipality

ii. By Detail

e. Institutions

i. Financing Sources

1. Type of Institution
2. Rural Development

ii. Paying Agents

iii. Holding Institution

f. Municipal Contact Information

g. Interest Rate Database (Data Import Option)

i. Type of Interest

1. Applicable Interest Rate
2. Variable or Fixed
3. Floor Rate
4. Ceiling Rate
5. Default Rate

ii. Spread

iii. Prepayment Penalty

iv. Fees and Other Charges

1. AAFAF Fees
2. Bank Commission
3. Legal Fees
4. Other

h. Sales and Use Tax Revenues (IVU)

i. COFIM

ii. FAM

1. Redemption Fund IVU
 - a. By Year
 - b. Average

i. Letters Database

- i. Merge Information
- ii. Credit Margin Capacity Letters

ii. Confirmation Letters

VIII. User Password Change

- a. Old Password
- b. New Password
- c. Reset

IX. Security

- a. Add, Modify and Eliminate
- b. ID
- c. Name
- d. Type of Authorization
 - i. Administrator
 - ii. Supervisor
 - iii. Read Only
 - iv. Not Authorized
- e. Password
- f. Emails

The rest of this page was intentionally left blank.

Exhibit C – Functionality of the SYC-IVU system

- I. Main Security Page – User name and password
- II. Maintenance Database
 - a. Municipalities Information
 - i. Number
 - ii. Name
 - iii. Permanent Resignation (Municipio Renunciante)
 - 1. Yes or No
 - iv. Development Municipal Fund Information
 - 1. Bank Distribution Account Number
 - 2. Bank Routing Number
 - 3. Percent Distributed to Redemption Fund
 - v. Redemption Municipal Fund Information
 - 1. Bank Distribution Account Number
 - 2. Bank Routing Number
 - vi. COFIM
 - 1. Bank Distribution Account Number
 - 2. Bank Routing Number
 - b. Bank Account Information
 - i. Municipal Administration Fund
 - ii. Development Municipal Fund
 - iii. Improvement Municipal Fund
 - c. Distribution Limitation
 - i. Development Municipal Fund
 - 1. \$1,300,000
 - d. Base Formula For Distribution
 - i. Annual Revenues
 - ii. Budget
 - iii. Census

III. Import Information

a. Daily deposit transactions from Treasury Department (GenTax Report Hacienda)

i. Conciliation Process

ii. Reports

1. Period

2. Fiscal Year or Calendar Year

IV. Distribution Processing Monthly Municipal Administration Fund

a. Development Municipal Fund (40%)

i. Input Amount Collected

1. .5%

2. Distribution

3. Reports

a. Monthly Distribution

b. Historical Reports

b. Redemption Municipal Fund (40%)

i. Distribution

ii. Reports

1. Monthly Distribution

2. Historical Reports

c. Improvement Municipal Fund (20%)

i. Distribution

ii. Reports

1. Monthly Distribution

2. Historical Reports

3. Certifications

V. General Processing

a. ACH or NACHA Transaction Process

i. ACH Transaction Order Form

ii. All Funds

iii. File Generation for ACH transactions

- iv. Reports
 - v. File generation for integration with General Ledger
 - vi. File generation for integration with Accounts Payable
 - b. Closing Period Process
 - c. Closing Period Process Reversal
- VI. User Password Change
 - a. Old Password
 - b. New Password
 - c. Reset
- VII. Security
 - a. Add, Modify and Eliminate
 - b. ID
 - c. Name
 - d. Type of Authorization
 - i. Administrator
 - ii. Supervisor
 - iii. Read Only
 - iv. Not Authorized
 - e. Password
 - f. Emails
 - g. Transactions Log

The rest of this page was intentionally left blank.

Exhibit D – CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (the “Agreement”) is made as of _____, 2024 (the “Effective Date”) by and between: (i) the Puerto Rico Fiscal Agency and Financial Authority (“AAFAF”, for its acronym in Spanish, or “Authority”) and (ii) _____ (the “Advisor”), in its capacity as a Request for Sealed Proposals (“RFSP”) vendor who wishes to submit a proposal. For purposes of this Agreement, the Authority and the Advisor are referred to, individually, as a “Party,” and collectively, as the “Parties.” As used herein, the term “Recipient” shall mean the Advisor to the extent it receives Confidential Information (as defined below).

WHEREAS, the Parties desire to engage in discussions (including, without limitation, the contents, timing, and status thereof, the “Discussions”) and exchange information about the debt portfolio of Puerto Rico municipalities in connection with a potential system’s solution to replace current tools and applications utilized by AAFAF (a “Possible Transaction”), in all cases regarding the Authority, the Commonwealth of Puerto Rico (“Commonwealth”) or any other agency, public corporation, or instrumentality of the Government of Puerto Rico (“Governmental Entity”), and the Authority may provide to the Recipient certain Confidential Information (in such capacity, the “Disclosing Party”).

WHEREAS, the purposes of this Agreement are to (i) prevent the Recipient from using Confidential Information for any purpose other than entering into or evaluating a Possible Transaction (and with respect to the Advisor, advising its client (the “Advisor Client”) regarding the same) or from referring to or disclosing the Discussions or other Confidential Information, directly or indirectly, in any legal proceeding (subject to the exceptions herein) and (ii) maintain the confidentiality of the Discussions and any other Confidential Information.

NOW THEREFORE, in consideration of the covenants and conditions set forth in this Agreement and the Recipient’s receipt of Confidential Information, it is agreed as follows:

Section 1. Confidentiality of the Confidential Information, including, but not limited to the Discussions. As a condition to a Party engaging in the Discussions and/or the Recipient receiving any Confidential Information from another Party, such Party and/or Recipient agrees, except with the prior written consent of the Disclosing Party or as expressly permitted hereunder, (i) to use all Confidential Information solely for purposes of entering into or evaluating a Possible Transaction (and with respect to the Advisor, advising the Advisor Client regarding the same); and to not use it, directly or indirectly, for any other purpose, including but not limited to in any legal proceeding (other than a legal proceeding to enforce this Agreement); (ii) to not refer to or otherwise disclose, directly or indirectly, the Discussions or any other Confidential Information in any legal proceeding (other than a legal proceeding to enforce this Agreement); (iii) to treat as confidential any Confidential Information, including without limitation the Discussions, that is furnished by or on behalf of the Disclosing Party or its affiliates to the Recipient or its Representatives (as defined below), except as permitted hereunder, and to undertake commercially reasonable precautions to safeguard and protect the confidentiality of the Confidential Information commensurate with those precautions the Recipient employs for the protection of corresponding sensitive information of its own; and (iv) not to disclose, in any manner whatsoever, directly or indirectly, in whole or in part, such Confidential Information, except as is permitted hereunder.

Section 2. Confidential Information. The term "Confidential Information" shall mean all the Discussions, documents, information, and other materials about (i) the Disclosing Party or any other Governmental Entity, (ii) present or future laws, regulations and proceedings applicable to the Disclosing Party, the Commonwealth or any other Governmental Entity or (iii) a Possible Transaction, in each case that (a) are designated as "Confidential Information" by the Disclosing Party, (b) are furnished orally or in writing hereunder by the Disclosing Party, its affiliates or their Representatives to the Recipient or its Representatives on or after the date of this Agreement, and (c) are non-public, confidential, or proprietary in nature, including, without limitation, non-public, confidential or proprietary information related to accounting matters, financial matters, and tax, legal and operational information, whether oral, written or electronic communications, and including confidential memoranda and presentations prepared by the Disclosing Party or any of such Disclosing Party's affiliates and its or its affiliates' managers, directors, officers, members, partners, associates, or employees (collectively, and as the same may apply to the Disclosing Party or the Recipient, the "Internal Representatives") or such Disclosing Party's or its affiliates' attorneys, subcontractors, consultants, accountants, auditors, advisors, agents, representatives, co-investors or potential financing sources (collectively, and as the same may apply to the Disclosing Party or the Recipient, the "External Representatives," and together with the Internal Representatives, the "Representatives"). In regard to a Governmental Entity, the term "affiliates" shall include any of the other Governmental Entities. Confidential Information also includes the Agreement, the Discussions, any Possible Transaction itself, and the nature, substance, status, and terms of any discussions or negotiations that have taken place or are taking place between any Governmental Entity and the Recipient concerning any Governmental Entity or a Possible Transaction, including, but not limited to, the terms of the proposals and counterproposals by the Disclosing Party. The term "Confidential Information" does not include the existence of this Agreement or any information received from the Disclosing Party or its affiliates or Representatives that (i) is, was or becomes available to the public other than as a result of a disclosure by the Recipient or any of its Representatives in violation of this Agreement; (ii) was or is independently developed by the Recipient or its Representatives or, in the case of the Advisor, the Advisor Client without using Confidential Information; (iii) was or becomes available to the Recipient or any of its Representatives on a non-confidential basis from a source other than the Disclosing Party or its affiliates or their Representatives and that, insofar as is known to the Recipient or such Representative, is not subject to an agreement of confidentiality with the Disclosing Party or any of its affiliates; (iv) was already known to the Recipient or any of its Representatives prior to the date of this Agreement on a non-confidential basis; (v) is obtained through discovery; (vi) is determined by a court of competent jurisdiction not to be Confidential Information; (vii) is agreed in writing by the Disclosing Party not to be subject to a confidentiality restriction; and (viii) the Recipient has a right to receive on a non-confidential basis pursuant to any existing agreement or applicable law.

The Authority may designate, in writing, certain Confidential Information as "Advisor Client Information," which may be disclosed to the Advisor Client in accordance with Section 4(b) of this Agreement (the "Advisor Client Information"); provided that any such information shall be clearly labeled "Advisor Client Information".

Section 3. Litigation and Admissibility. Recipient shall not refer to, disclose or use, directly or indirectly, in any legal proceedings (other than a legal proceeding to enforce this Agreement) the Discussions or any other Confidential Information provided by the Disclosing Party or its affiliates or their Representatives. Furthermore, Confidential Information received by the Recipient from

the Disclosing Party or its affiliates or their Representatives shall not be admissible in any legal proceeding. Recipient agrees that the Discussions and all other Confidential Information provided by the Disclosing Party or its affiliates or their Representatives are in the nature of settlement discussions that shall not be admissible for any purpose, including but not limited to pursuant to Rule 408 of the Federal Rules of Evidence (or any state or Commonwealth law equivalent). None of the Parties shall seek to cause any other party or directly cooperate with any other party in its efforts to admit in any legal proceeding the Discussions or any other Confidential Information received by the Recipient from the Disclosing Party or its affiliates or their Representatives. Notwithstanding the foregoing, nothing contained herein shall limit (i) any rights of the Advisor Client or its representatives (including the Advisor) to obtain discovery through judicial or other process of any information relating to any entity, including the Governmental Entities (including, without limitation, Confidential Information theretofore delivered to the Recipient) and to introduce the same as evidence in any proceeding, provided that such persons are not disclosing Confidential Information received under this Agreement (but excluding any Confidential Information that is obtained through a discovery process) in violation of this Agreement, (ii) the Authority's (or its affiliates') right to object to such discovery or introduction or its right to seek to have any such Confidential Information introduced under seal, or (iii) the rights of the Advisor Client and its representatives (including the Advisor) to object to the sealing of such information.

Section 5. Permitted Disclosures.(a) Notwithstanding anything to the contrary in this Agreement, the Recipient may disclose the Discussions or any other Confidential Information: (i) with the prior written consent of the Disclosing Party; (ii) to any of the Recipient's Internal Representatives who have a need to know of the Discussions or any other Confidential Information, for the purpose of entering into or evaluating a Possible Transaction (and, in the case of the Advisor, advising the Advisor Client on the same), who are advised, prior to receipt of such information, by the Recipient of the existence of this Agreement and have agreed or are under an obligation not to disclose the Discussions or any other Confidential Information; (iii) to any of the Recipient's External Representatives who have a need to know of the Discussions or any other Confidential Information, for the purpose of entering into or evaluating a Possible Transaction (and, in the case of the Advisor, advising the Advisor Client on the same), who have executed and delivered to the Disclosing Party, prior to receipt of such information, a joinder to this Agreement, substantially in the form attached hereto as Appendix A; (iv) to the legal, financial and other professional advisors of the Advisor Client, provided that such legal, financial and other professional advisors have executed and delivered to the Disclosing Party, prior to receipt of such information, an agreement with the Authority substantially in the form of this Agreement; (v) to the Advisor Client if it has a need to know of the Discussions or any other Confidential Information, for the purpose of a Possible Transaction, and has executed and delivered to the Disclosing Party, prior to receipt of such information, a joinder to this Agreement, substantially in the form attached hereto as Appendix B but such disclosures shall be limited to Advisor Client Information; or (vii) in the event that the Recipient or any of its Representatives is required by law, rule, regulation, or stock exchange requirement, or receives a request from a governmental, regulatory or self-regulatory body (including by deposition, interrogatory, request for documents, subpoena, civil investigative demand, legal, regulatory or similar process) (collectively, "Law") to disclose all or any portion of the Discussions or Confidential Information, provided that the Recipient shall, with respect to a request made under this Section 4(a)(vi) of this Agreement, to the extent practicable and permitted by applicable Law, promptly notify (other than with respect to a disclosure to be made to a regulatory authority having jurisdiction over the Recipient in connection with a routine

audit or examination not targeting any Governmental Entity or the Confidential Information) the Disclosing Party of such request so that the Disclosing Party, at the Disclosing Party's sole cost and expense, may intervene to take legally available steps to resist or narrow such request, including the Disclosing Party's efforts to seek a protective order or other appropriate remedy. In addition, the Recipient and its Representatives agree that they will not oppose, and, to the extent requested by the Disclosing Party and at the Disclosing Party's sole cost and expense, will use commercially reasonable efforts to cooperate with the Disclosing Party with regard to any reasonable action by the Disclosing Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded to the Discussions and any other Confidential Information or to resist or narrow the request or requirement for information. The Recipient shall be liable for the breach of this Agreement by any of its Representatives to which it discloses the Discussions or any other Confidential Information. For the avoidance of doubt, the Recipient may disclose this Agreement to its Representatives for the purpose of obtaining acknowledgements or joinders as provided for in clauses (ii) and (iii) of this Section 4(a). In addition, the Advisor may disclose the Discussions or any other Confidential Information it received from any Governmental Entity or its Representatives to any other person (other than the Advisor Client) that is engaged in discussions with any Governmental Entity (including its Representatives and affiliates) concerning a Possible Transaction, provided that such person is a party to a valid confidentiality agreement with the Authority regarding such Discussions and Confidential Information on substantially the same terms as this Agreement, and provided further that if such confidentiality agreement contains cleansing, blowout or other similar termination rights that would require the Authority or its affiliates to make a public disclosure of the Discussions or any other Confidential Information disclosed to such person (or permit such person to make such disclosure on behalf of the Authority or its affiliates), the Advisor may only disclose the Advisor Client Information to such person (it being understood that (x) the Advisor may rely on the representation of such person as to whether such person has entered into such a confidentiality agreement, and (y) upon the request of the Advisor, the Authority shall confirm in writing whether any particular person has entered into such a confidentiality agreement). Notwithstanding anything to the contrary herein, the Advisor may disclose the Agreement to any person for the purpose of confirming that any such person has entered into a confidentiality agreement on substantially the same terms as this Agreement. For the avoidance of doubt, the Advisor and its Representatives may disclose the Discussions or any other Confidential Information, in connection with a Possible Transaction, to the identified legal counsel, financial advisors and consultants of the Authority.

(b) Notwithstanding anything to the contrary in this Agreement, the Advisor or its Representatives may, after receiving written permission from the Authority, disclose the Advisor Client Information to the Advisor Client if it has a need to know the Advisor Client Information, provided that the Advisor Client has executed and delivered to the Authority, prior to receipt of such information, (i) a joinder to this Agreement as an Advisor Client, or (ii) a confidentiality agreement regarding such Discussions and Confidential Information on substantially the same terms as this Agreement, provided, further, that the Advisor Client is obligated to keep such Advisor Client Information confidential pursuant to such confidentiality agreement. For the avoidance of any doubt, Advisor may not disclose to the Advisor Client any Confidential Information other than Advisor Client Information. In addition, the Authority agrees that the Advisor shall not be responsible for any breach by the Advisor Client of any confidentiality or other obligations that the Advisor Client may have to the Authority with respect to the Advisor Client Information shared hereunder.

Section 5. No Representation or Warranty. Although the Disclosing Party will endeavor to provide Confidential Information known to it which it believes to be relevant for the purpose of the Discussions and the evaluation and consideration of a Possible Transaction, the Recipient acknowledges and agrees that: (i) none of the Disclosing Party, its affiliates nor any of their Representatives is making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and none of the Disclosing Party, its affiliates nor any of their Representatives, nor any of their respective officers, directors, employees, representatives, stockholders, owners, affiliates, advisors or agents, will have any liability to the Recipient or any other person resulting from the use of Confidential Information by the Recipient or any of its Representatives and (ii) no statements made by the Disclosing Party, its affiliates nor any of their Representatives in the context of the Discussions or furnishing the Recipient or its Representatives with other Confidential Information or negotiations regarding a Possible Transaction shall constitute any representation or warranty with any legal effect, except those representations or warranties that are made in a binding agreement implementing the Possible Transaction when, as, and if it is executed, and subject to such limitations and restrictions as may be specified in such binding agreement.

Section 6. Return or Destruction of Documents. Upon the Disclosing Party's written request, the Recipient shall promptly return or destroy all written Confidential Information without retaining, in whole or in part, any copies, extracts or other reproductions (whatever the form or storage medium) of such materials. Notwithstanding the foregoing sentence, the Recipient may retain: (i) that portion of the Confidential Information that is memorialized in notes, analyses, compilations, studies, interpretations or other documents prepared by the Recipient or any of its Representatives, (ii) copies of Confidential Information in accordance with applicable document retention and internal record-keeping policies and procedures implemented by the Recipient, (iii) Confidential Information necessary to be retained, as deemed by the Recipient, to comply with applicable legal or regulatory requirements and which information retention shall be for recordkeeping purposes only and not for any other use, and (iv) any portions of the Confidential Information that have been disclosed to the public (other than through a breach of this Agreement by the Recipient or its Representatives or any other substantially similar confidentiality agreement), or by a third party that, to the Recipient's knowledge, was not under an obligation of nondisclosure to the Disclosing Party or its affiliates. Upon the Disclosing Party's written request, the Recipient will confirm in writing its compliance with the terms of this Section 6.

Section 7. Acknowledgements. The Parties acknowledge that the dissemination of Confidential Information may be governed by applicable securities law or regulations that prohibit the purchase and sale of securities by persons, including individuals, who possess certain material nonpublic information.

Each Disclosing Party acknowledges and agrees that the Recipient may maintain or establish an information-blocking device or "Ethical Wall" (an "Ethical Wall") between its employees who receive the Confidential Information and its other employees, provided that under no circumstance shall any Governmental Entity be required to assess the existence or effectiveness of any such Ethical Wall.

Section 8. Legal Liability and Remedies. The Parties acknowledge that money damages may not be a sufficient remedy for any breach of this Agreement and that the Parties shall be entitled to seek, in addition to all other remedies, specific performance and injunctive or other equitable relief as a remedy for any such breach or threatened breach to the extent permitted by law. Unless

otherwise expressly provided in this Agreement, in the event that such equitable relief is granted, such remedy or remedies shall not be deemed to be the exclusive remedy or remedies for breach of this Agreement but shall be in addition to all other remedies available at law or equity. The Parties agree not to resist such application for relief on the basis that the Disclosing Party or the Recipient, as applicable, has an adequate remedy at law and agrees to waive any requirement for securing or posting any bond in connection with such remedy.

Section 9. Termination. Unless the term of this Agreement is extended in writing by the Parties, this Agreement and the restrictions imposed on the Recipient and its Representatives by this Agreement shall terminate 6 months from the date hereof, provided that (i) the obligations set forth by Section 6 (Return or Destruction of Documents) shall survive for a period of 12 months after the termination of this Agreement, and (ii) the obligations set forth by Section 3 (Litigation and Admissibility), Section 5 (No Representation or Warranty), Section 7 (Acknowledgments), Section 8 (Legal Liability and Remedies), and Sections 10-17 shall survive the termination of this Agreement.

Section 10. Choice of Law. This Agreement (i) is for the benefit of the Parties and (ii) is governed by the laws of the Commonwealth. Any suit, action or proceeding brought in connection with this Agreement shall be brought in the Court of First Instance for the Commonwealth, San Juan, or the United States District Court for the District of Puerto Rico sitting in San Juan, and the Parties hereby irrevocably consent (only with respect to such suit, action, or proceeding brought in connection with this Agreement) to the exclusive jurisdiction of such courts, agree not to commence any suit, action or proceeding in connection with this Agreement, except in such courts, and waive, to the fullest extent permitted by law, the right to move to dismiss or transfer any suit, action or proceedings brought in such court on the basis of any objections as to venue or inconvenient forum or on the basis of any objection to personal jurisdiction. The Parties waive, to the fullest extent permitted by law, any right to trial by jury.

Section 11. Entire Agreement. This Agreement constitutes the entire agreement, and supersedes any prior agreements, including any deemed agreements, between the Parties regarding the subject matter hereof.

Section 12. Interpretation; Headings. The term "person" as used in this Agreement shall be broadly interpreted to include, without limitation, any individual, corporation, company, partnership or other entity. The headings set forth in this Agreement are included solely for the purpose of identification and shall not be used for the purpose of construing the meaning of the provisions of this Agreement.

Section 13. Severability. If any portion of this Agreement shall be declared invalid or unenforceable, the remainder of this Agreement shall be unaffected thereby and shall remain in full force and effect.

Section 14. Counterparts. This Agreement may be signed in one or more counterparts (including by means of facsimile or PDF signature pages), each of which need not contain the signature of all Parties hereto, and all of such counterparts taken together shall constitute a single agreement.

Section 15. Amendment; Waiver. This Agreement shall not be amended, modified or waived except by a separate written agreement signed by each of the Parties. No course of dealing between the Parties shall be deemed to modify or amend any provision of this Agreement, and

no delay by the Parties in the exercise (or partial exercise) of each of their rights and remedies shall operate as a waiver thereof.

Section 16. No Implied Agreement. The Parties understand and agree that this Agreement is not intended to, and does not, constitute an agreement that either Party or, in the case of the Advisor, the Advisor Client, will consent to any Possible Transaction or take any other steps, including, without limitation, preparation or filing of any documents with respect to any related transaction involving the Governmental Entities or their affiliates. The Parties further understand and agree that each Party and, in the case of the Advisor, the Advisor Client, reserves the right, in its sole discretion, to reject any and all proposals made by the other Party, or any of its Representatives, or the Advisor Client or any of its representatives, with regard to the Possible Transaction or any other transaction between the Governmental Entities and the Advisor Client, and to terminate discussions and negotiations at any time.

Section 17. Reservation of Rights. Nothing contained herein or otherwise shall operate to restrict, inhibit, limit or prohibit any Party or its designees from exercising any right or remedy available to it while the discussions contemplated by this Agreement are pending. Nothing in this Agreement shall be construed as a waiver of a Party's right under applicable law, at equity or contract, and all such rights and remedies are hereby reserved.

[Signature pages follow]

IN WITNESS WHEREOF, each Party has executed this Agreement as of the date and year first written above.

Puerto Rico Fiscal Agency and Financial Authority

By: _____

Name: _____

Title: _____

Date: _____

Advisor: _____

By: _____

Name: _____

Title: _____

Date: _____

ADDEDUM A

JOINDER TO CONFIDENTIALITY AGREEMENT

WHEREAS, reference is made to that certain Confidentiality Agreement dated as of _____ 2024, by and between (i) the Puerto Rico Fiscal Agency and Financial Advisory Authority and (ii) _____ (as amended from time to time, the "Agreement"). Each capitalized term used but not defined herein shall have the meaning given to it in the Agreement.

WHEREAS, the undersigned has read the Agreement in its entirety and understands all of the provisions therein.

WHEREAS, the undersigned acknowledges that it is a Representative (as defined in the Agreement) of _____ (the "Recipient") and desires to obtain Confidential Information for the purpose of a Possible Transaction (as such terms are defined in the Agreement).

NOW, THEREFORE, the undersigned agrees that by executing this joinder, it and its employees and agents that receive Confidential Information hereunder, shall become bound by all of the terms of the Agreement and agrees to keep the Confidential Information confidential in the same manner and to the same extent as the Recipient, as set forth in the Agreement, provided that Section 9 of the Agreement will not apply to the undersigned.

Unless the term of this joinder is extended in a writing signed by the Parties, this joinder will terminate in its entirety one (1) year from the date of execution hereof.

By: _____ Date: _____

Title: _____

ADDEDUM B

JOINDER TO CONFIDENTIALITY AGREEMENT

WHEREAS, reference is made to that certain Confidentiality Agreement dated as of _____ 2024, by and between (i) the Puerto Rico Fiscal Agency and Financial Advisory Authority and (ii) _____ (as amended from time to time, the "Agreement"). Each capitalized term used but not defined herein shall have the meaning given to it in the Agreement.

WHEREAS, the undersigned has read the Agreement in its entirety and understands all of the provisions therein.

WHEREAS, the undersigned acknowledges that it is the Advisor Client (as defined in the Agreement) of _____ (the "Recipient") and desires to obtain Confidential Information for the purpose of a Possible Transaction (as such terms are defined in the Agreement).

NOW, THEREFORE, the undersigned agrees that by executing this joinder, it and its employees and agents that receive Confidential Information hereunder, shall become bound by all of the terms of the Agreement and agrees to keep the Confidential Information confidential in the same manner and to the same extent as the Recipient, as set forth in the Agreement, provided that Section 9 of the Agreement will not apply to the undersigned.

Unless the term of this joinder is extended in a writing signed by the Parties, this joinder will terminate in its entirety one (1) year from the date of execution hereof.

By: _____ Date: _____

Title: _____

