

Puerto Rico Electric Power Transmission and Distribution System P3 Project

Puerto Rico Electric Power Transmission and Distribution System
P3 RFQ Evaluation Worksheet

Respondent: ITC Holdings, Corp (A Fortis Company)

Overall Rating: 47.2%

Narrative: _____

Evaluation Scores

Excellent (9-10 pts): The Respondent has provided information relative to its qualifications which indicates a consistently outstanding level of quality. No weaknesses are identified.

Good (7-8 pts): The Respondent has presented information relative to its qualifications which is considered to meet the stated requirements. Minor weaknesses (if any) are identified and no correction is necessary.

Adequate (5-6 pts): The Respondent has presented information relative to its qualifications which is considered to meet the stated requirements. Minor weaknesses are identified and need to be corrected.

Deficient (3-4 pts): The Respondent has presented information relative to its qualifications which fails to fully meet the stated requirements. Major weaknesses are identified and need to be corrected.

Poor (0-2 pts): The Respondent has either presented information relative to its qualifications that contains significant weaknesses or the required information was not presented. Weaknesses are so major that a major revision to the SOQ would be necessary.

Puerto Rico Electric Power Transmission and Distribution System P3 Project

1. Compliance with Requirements of PPP Act and Act 120

Compliance with Requirements of PPP Act and Act 120			
Responsible Firm: [PMA]			
Pass / Fail for Section: <u>Fail</u> .			
Pass means that Respondent complied with the requirements listed below.			
Requirements	Yes/No	Pass/Fail	Comments
Respondent provides statement it shall be properly registered, or capable of being properly registered, to do business in Puerto Rico at the time of execution of the PPP Contract	Yes	Pass	Did not provide certification, just the following brief statement: <i>“As a highly regarded utility in the United States, and with a parent company that is highly regarded across Canada, the United States and serves 3 utilities in the Caribbean, we anticipate no issues with registering to conduct business in Puerto Rico.”</i>
Respondent provides statement it shall comply with all applicable Puerto Rico and U.S. laws and/or requirements	Yes	Fail	Language too general. The following statement was provided to comply with this criterion: <i>“At such time as the project is awarded, we anticipate no issue being able to certify to all of the necessary items in this section of the RFQ.”</i>
Each Respondent and Team Member completes unmarked version of Form of Respondent Certification (Appendix A of the RFQ) or provides a certification equivalent to that in Section 3, Part 1, 1.2 of the RFQ.	No	Fail	Just provided general language of general ability to comply this section of the RFQ, as cited above.

Puerto Rico Electric Power Transmission and Distribution System P3 Project

Compliance with Requirements of PPP Act and Act 120

Responsible Firm: [PMA]

Pass / Fail for Section: Fail

Pass means that Respondent complied with the requirements listed below.

Requirements	Yes/No	Pass/Fail	Comments
Respondent provides executed Acknowledgement and Contact Information letter from the Respondent (executed by the contact person ("Representative") for all future communication between the Authority and the Respondent).	No	Fail	Just provided general language of general ability to comply this section of the RFQ, as cited above.

Puerto Rico Electric Power Transmission and Distribution System P3 Project

2. Background & Team Information

Background & Team Information		Responsible Firm: [Citi]	
Section Score (0-10): <u>7.7</u> % Weight 10%			
Requirements	Yes / No	Score	Comments
Respondent shall provide a description of the Respondent and all Team Members that identifies:			
<ul style="list-style-type: none"> Anticipated roles, functions and overview of business operations 	Yes	4	Respondent disclaimed that is too early to provide information as to the anticipated roles for the Project. Specific information as to the functions and operational overview of the Project is not specified.
<ul style="list-style-type: none"> Jurisdiction, form of entity organization, ownership structure and capitalization 	Yes	9	
<ul style="list-style-type: none"> Currently and formerly owned or controlled electric utility operating companies 	Yes	10	
<ul style="list-style-type: none"> Anticipated legal relationships (e.g. joint ventures, partnerships), and percentage of ownership interest 	N/A	N/A	Single entity.
<ul style="list-style-type: none"> Up to 5 individuals who will play an important role on behalf of the Respondent and Team Member(s) 	No	2	Individuals were not provided. A link to websites was included with biographies on ITC and Fortis leadership.
<ul style="list-style-type: none"> Instances in which the Respondent and Team Member(s) have worked together 	N/A	N/A	Single entity
<ul style="list-style-type: none"> Evidence of carrying out major infrastructure projects 	Yes	8	

Puerto Rico Electric Power Transmission and Distribution System P3 Project

<ul style="list-style-type: none"> Evidence and tenor of operations and management experience in electric T&D 	Yes	9	
<ul style="list-style-type: none"> Experience administering FEMA and other federal disaster relief funding 	Yes	7	General statement provided states ITC had worked in FEMA Projects
Respondent may also provide resumes on specific Key Individuals.	N/A	N/A	Not provided
Respondent shall also submit a list of all technical, financial, legal, accounting, or other advisors that the Respondent or a Team Member has engaged.	Yes	10	
Respondent or at least one Team Member must demonstrate that its current or previous electric utility operations and management fulfills the following criteria:	Yes	10	
<ul style="list-style-type: none"> At least 250,000 customers 	Yes		
<ul style="list-style-type: none"> Electric utility T&D rate base of at least \$2bn 	Yes		
<ul style="list-style-type: none"> At least 1,000 employees 	Yes		
15 pages maximum			

3. Financial Capabilities

Financial Capabilities		
Responsible Firm: [Citi]		
Section Score (0-10): <u>2.8</u> % Weight 30%		
Requirements	Score	Comments
Respondent must demonstrate adequate financial wherewithal to fulfill the terms of the PPP Contract. Respondent or at least one Team Member must provide:		*Scores as per Citi's evaluation
<ul style="list-style-type: none"> Evidence of demonstrated tract record of earned ROE approximating regulatory authorized ROE 	0	
<ul style="list-style-type: none"> Evidence of experience with formal regulatory proceedings or similar rate justifications 	0	
<ul style="list-style-type: none"> Credit ratings (if any) 	10	
<ul style="list-style-type: none"> Copies of audited financial statements, Form 10-Ks, or similar annual reports for the past 2 years 	10	
Each Respondent must provide specific evidence demonstrating their ability to raise financing		
<ul style="list-style-type: none"> Capability of raising significant quantities of debt and equity in the current capital markets 	2	
<ul style="list-style-type: none"> The number and size of past relevant transactions 	0	
<ul style="list-style-type: none"> Specific experiences on past relevant transactions 	0	
<ul style="list-style-type: none"> Respondent or at least one Team must provide evidence of at least 5 debt or equity raises, each of at least \$100mm in proceeds 	0	

Puerto Rico Electric Power Transmission and Distribution System P3 Project

Financial Capabilities		
Responsible Firm: [Citi]		
Section Score (0-10): <u>2.8</u> % Weight 30%		
Requirements	Score	Comments
10 pages maximum		

Puerto Rico Electric Power Transmission and Distribution System P3 Project

4. Technical & Operational Capabilities

Technical & Operational Capabilities	
Responsible Firm: [Citi]	
Section Score (0-10): <u>5.2</u> % Weight 50%	
Requirements	Score
Requirements	Comments
<p>Respondent must demonstrate its technical and operational capabilities to fulfill the terms of the PPP Contract. At least 1 Team Member must provide:</p> <ul style="list-style-type: none"> For the past 5 years, operational metrics (SAIDI, SAIFI, CAIDI), and OSHA recordable events must be within acceptable industry standards for mainland U.S. electric utilities Track record of sustained customer satisfaction Experience with at least 3 large scale T&D projects, each with total investment of at least \$50mm Certification of no significant or sustained environmental violations 	<p>3</p> <p>No operational metrics (SAIDI, SAIFI, CAIDI), or OSHA recordable events provided. Forced outage response data provided on page 20.</p>
<ul style="list-style-type: none"> Track record of sustained customer satisfaction 	<p>3</p> <p>No track record of sustained customer satisfaction provided. Information regarding ITC's approach to customer & community engagement provided on page 5.</p>
<ul style="list-style-type: none"> Experience with at least 3 large scale T&D projects, each with total investment of at least \$50mm 	<p>8</p> <p>5 large-scale transmission projects listed on page 9-10. Total investment listed only on Thumb Loop Project.</p>
<ul style="list-style-type: none"> Certification of no significant or sustained environmental violations 	<p>4</p> <p>No statement provided regarding environmental violations. Mentions multiple environmental principles on page 28-30 including ISO-14-001 based environmental management system.</p>

Puerto Rico Electric Power Transmission and Distribution System P3 Project

Technical & Operational Capabilities		
Responsible Firm: [Citi]		
Section Score (0-10): <u>5.2</u> % Weight 50%		
Requirements	Score	Comments
<ul style="list-style-type: none"> Sustained history of reasonable customer rates 	0	No data or information provided on customer rates.
<p>Respondent and Team Member(s) should describe their degree of experience:</p> <ul style="list-style-type: none"> Coordinating safe, reliable, and economic dispatch of electric utility systems, particularly those with significant reliance on renewable energy resources 	4	Information regarding experience in distribution or economic system dispatch not provided. Some experience developing renewable energy projects is provided.
<ul style="list-style-type: none"> Negotiating and executing power supply agreements, including tolling, take-or-pay or similar types of power supply agreements 	0	No information provided.
<ul style="list-style-type: none"> Operating electric utility T&D infrastructure on an island or other stranded location in both urban and rural settings and under challenging natural circumstances, such as mountainous regions and dense vegetation growth 	10	Fortis operates utilities in the Cayman Islands and Turks & Caicos Islands. ITC Michigan, ITC Midwest, ITC Great Plains and Central Hudson Power are all subject to various extreme conditions (page 26).
<ul style="list-style-type: none"> Operating electric utility T&D infrastructure in a natural disaster-prone region, and experience with post-event restoration and electrification 	10	Experience with post-event restoration and electrification for Hurricane Irma (Turks & Caicos Islands) and a storm in Iowa (ITC Midwest) provided on page 26-27.

Puerto Rico Electric Power Transmission and Distribution System P3 Project

Technical & Operational Capabilities		
Responsible Firm: [Citi]		
Section Score (0-10): <u>5.2</u> % Weight 50%		
Requirements	Score	Comments
<ul style="list-style-type: none"> System planning taking into account long-term customer demand projections to be met with electric supply, which may include integrated resource planning 	5	Experience in developing, constructing, operating and maintaining transmission grid infrastructure is provided. Limited information regarding planning is provided for key projects.
<ul style="list-style-type: none"> Managing disaster recovery operations, federal disaster relief funding, and relationships with FEMA and other government entities 	8	Disaster recovery efforts for Hurricane Irma (Turks & Caicos Islands) and ITC Midwest mentioned on page 26-27. Cover Letter mentions experience working with FEMA, USACE, Electricity System Restoration Coordinator during Hurricane Maria's recovery efforts in Puerto Rico.
<ul style="list-style-type: none"> Operating electric utility T&D infrastructure that incorporates significant and expanding renewable project interconnection requests, generation capacity, distributed generation, advanced grid technology implementation, energy efficiency initiatives, energy storage, and microgrids (if any) 	7	Cover letter mentions investment of \$7.5bn investment for 7,200 MW of renewable energy. Other renewable energy initiatives mentioned for key projects.
50 pages maximum		22 pages

Puerto Rico Electric Power Transmission and Distribution System P3 Project

5. Safety Performance

Safety Performance		
Responsible Firm: [Citi]		
Section Score (0-10): <u>5.5</u> % Weight 10%		
Requirements	Score	Comments
Respondent and Team Member(s) must demonstrate (a) their ability to address and resolve safety issues, and (b) their knowledge of safety strategies and methodologies.	9	In 2017, ITC's safety performance placed ITC in the top 10% of companies for recordable incidents and the top 25% for lost work day cases in the Edison Electric Institute's annual safety survey of utilities. An ITC Safety Handbook is available and serves as a guide to ITC's safe work practices and policies. In addition, contractors are given a copy of "Safety Handbook for Contractors" which serves as their guide to ITC's safe work practices and further explains our safety practices and procedures.

Puerto Rico Electric Power Transmission and Distribution System P3 Project

Safety Performance		
Responsible Firm: [Citi]		
Section Score (0-10): <u>5.5</u> % Weight 10%		
Requirements	Score	Comments
Respondent and Team Member(s) must submit copies of the Occupational Safety and Health Administration 300 forms for the past 3 years, only as related to electric utility operations. If not applicable, Respondent and Team Member(s) must present a document explaining the reasons for not submitting the form.	2	ITC does not provide OSHA Form 300s. ITC included data from 2017, of Incident Rate and Lost Work Day Case Incident Rate compared with the data of EEI (Edison Electrical Institute).

Puerto Rico Electric Power Transmission and Distribution System P3 Project

6. SOQ Requirements and Procedures

SOQ Requirements			
Responsible Firm: [Citi]			
Pass / Fail for Section: <u>Fail</u>			
A Pass means that Respondent complied with all of the requirements below.			
Requirements	Yes/No	Pass/Fail	Comments
Respondents shall comply with the SOQ format requirements:			
• SOQ must be prepared in English	Yes	Pass	SOQ prepared in English.
• Cover page (to include identification of all management Team Members)	Yes	Pass	Included
• Cover Letter (two pages maximum)	Yes	Pass	Included
• Table of Contents	Yes	Pass	Included
• Executive Summary (two pages maximum)	Yes	Pass	Included
Respondent must submit one originally executed SOQ with signatures in blue ink and marked as "Original", and four copies along with one copy in portable document format (PDF) on a CD or USB flash drive.	No	Fail	ITC did not include digital copy of SOQ (was sent via email)
A physical copy of the original SOQ must be delivered no later than the Submission Deadline, December 5, 2018 at 5:00pm AST.	Yes	Pass	
Each Respondent must declare, and agree to be under an obligation to declare, that it does not have knowledge of or the ability to avail itself of confidential information of the Government, PREPA or the Authority relevant to the Project, except to the extent it has been expressly authorized by the Government, PREPA, or the Authority	No	Fail	The respondent does not address the criteria as requested. The respondent provided a certification note as follow: "At such time as the project is awarded, we anticipate no issue being

Puerto Rico Electric Power Transmission and Distribution System P3 Project

SOQ Requirements			
Responsible Firm: [Citi]			
Pass / Fail for Section: <u>Fail</u>			
A Pass means that Respondent complied with all of the requirements below.			
Requirements	Yes/No	Pass/Fail	Comments
			able to certify to all of the necessary items in this section (Compliance with Requirements of PPP Act and Act 120) of the RFQ.”