

REQUEST FOR QUALIFICATIONS

To acquire a concession to finance, operate
and maintain Toll Roads in Puerto Rico

Responses due on
Thursday July 29 2010 at 17:00 PM Eastern

JUNE 2010



MACQUARIE

Financial
Advisor

Table of Contents

1. OVERVIEW OF RFQ AND CONCESSION PROCESS	1
1.1 Introduction.....	1
1.2 Background to Puerto Rico’s PPP Program	1
1.3 Function of this RFQ	2
1.4 Overview of the contents of this RFQ.....	3
1.5 Consortia.....	4
1.6 Process	3
1.7 restricted parties.....	5
1.8 Deadline	5
2. TOLL ROADS DESCRIPTION.....	7
2.1 Overview and History	7
2.2 Historical Toll Revenue and Operations	11
2.3 eGo	14
2.4 Recent History of Key Capital Improvements	15
3. INVESTMENT HIGHLIGHTS	16
3.1 Toll Road Investment Highlights.....	16
4. PROPONENT QUALIFICATION REQUIREMENTS AND EVALUATION CRITERIA.....	18
4.1 Proponent Qualification Requirements and Evaluation Criteria.....	18
5. RFQ SUBMISSION REQUIREMENTS AND PROCEDURE	20
5.1 RFQ Submission Requirements	20
5.2 Format and Required Information for RFQ Submission	21
5.3 RFQ Submission Instructions and Next Steps.....	23
5.4 Confidentiality of RFQ Submission.....	24
5.5 Disclaimer.....	25
APPENDICES: SUPPLEMENTARY LEGAL MATERIALS	27

Terms not specifically defined in this RFQ take their meaning from the *Public-Private Partnerships Act*, Act No. 29 of June 8, 2009

1. Overview of RFQ and Concession Process

1.1 INTRODUCTION

The Puerto Rico Highways and Transportation Authority (the “**PRHTA**”) is interested in entering into a 50 year concession agreement (the “**PPP Contract**”) relating to two toll roads on the island of Puerto Rico – PR-22 and PR-5 (the “**Toll Roads**”).

The Puerto Rico Public-Private Partnerships Authority (the “**Authority**”) wishes to conduct a tender whereby the PRHTA will ultimately enter into a PPP Contract relating to the Toll Roads, under which a private entity (the “**Contractor**”) will be required to finance, operate, maintain and improve the Toll Roads (the “**Project**”).

The Authority and the PRHTA (collectively, the “**Sponsors**”) are seeking to achieve their primary objectives of 1) maximizing the upfront value for the Toll Roads, which will allow the PRHTA to invest in transportation improvements in Puerto Rico and enhance the municipal bonding capacity of the PRHTA and 2) improving the Toll Roads’ safety standards, service levels and roadway quality.

Prospective Proponents are encouraged to review the following documents, which are available for download on the Authority’s website at <http://www.p3.gov.pr>:

- i. the Project’s Desirability and Convenience Study, which discusses the (a) improvement and expansion requirements of toll roads in Puerto Rico, (b) options to meet these improvement and expansion requirements, (c) differences between various alternatives to meet these improvement and expansion requirements, and (d) feasibility of meetings these requirements via a PPP; and
- ii. the Commonwealth of Puerto Rico’s (the “**Commonwealth**”) Financial Information and Operating Data Report, dated May 1, 2010, which presents detailed information regarding the Commonwealth’s economy and the government’s finances.

1.2 BACKGROUND TO PUERTO RICO’S PPP PROGRAM

The *Public-Private Partnership Act* (the “**Act**”) was approved on June 8, 2009. The Act states that the public policy of the Government of Puerto Rico is to favor and promote the establishment of Public-Private Partnerships (“**PPPs**”) for the creation of certain “Priority Projects,” and among other things, to further the development and maintenance of infrastructure facilities, share with the private sector the risk involved in the development, operation or maintenance of such projects, improve the services rendered and the functions of the Government, encourage job creation and promote the Island’s socio-economic development and competitiveness.

The Act provides that the new public policy must maintain such controls as are necessary to protect the public interest and temper this need with the profit-making purpose of any private operation. The contractual relationship must thus be mutually beneficial, while ensuring the efficient, effective and affordable provision of public goods and services to all citizens.

The Act created the Authority as a public corporation of the Commonwealth, affiliated with the Government Development Bank for Puerto Rico (“**GDB**”). The Authority is designated as the sole government entity authorized and responsible for implementing the public policy on PPPs and for determining the functions, services or facilities for which PPPs are to be established.

RESPONSE DUE THURSDAY JULY 29, 2010

For each proposed PPP, the Authority must create a PPP Committee. The PPP Committee is responsible for the PPP qualification, evaluation and selection processes, for establishing the terms and conditions of the PPP Contract and reporting on the procedures followed.

A key issue to note for prospective Proponents is that the PPP Committee has been vested with the authority to negotiate the terms of the PPP Contract, and the Authority and, in this case, the PRHTA, have been vested with the authority to approve the PPP Contract agreed to with a Proponent, subject to final approval by the Governor of Puerto Rico. The PPP Contract does not require further Legislative approval.

1.3 FUNCTION OF THIS RFQ

This document is a Request for Qualifications (“**RFQ**”) issued under Section 4.4 of the Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Public-Private Partnership Contracts under Act No. 29 of June 8, 2009 (the “**Regulation**”). Prospective Proponents are encouraged to review the Regulation, which is available for download on the Authority’s website: <http://www.p3.gov.pr>.

The Authority is issuing this RFQ because it has determined that:

- i. the Project meets the requirements of Article 3 of the Act; and
- ii. it is advisable to pursue the establishment of a PPP in connection with the Project.

This RFQ is being issued, in anticipation of a Request for Proposals (“**RFP**”) for the Project, to identify the prospective Proponents that meet the legal requirements imposed by the Act (as discussed in Section 4 of this RFQ) and the PPP Committee’s standard of the minimum required:

- i. financial condition; and
- ii. technical or professional ability and experience.

These standards are discussed in Section 4 of this RFQ.

The aim of this RFQ is to help the PPP Committee shortlist the best qualified Proponents. The PPP Committee, in making its evaluation of the qualifications of a prospective Proponent, may disqualify a prospective Proponent if the prospective Proponent:

- i. may be treated as ineligible to submit a Proposal on one or more grounds specified in Section 6 of the Regulation;
- ii. fails to satisfy the standards established by the PPP Committee with respect to the prospective Proponent’s required financial condition, or technical or professional ability and experience (as discussed in Section 4 of this RFQ); or
- iii. fails to comply with the requirements of Articles 9(a) (Applicable Requirements and Conditions for those who wish to be considered as Proponents) and 9(d) (Consortia) of the Act, as applicable.

In addition, the PPP Committee reserves the right to qualify a limited number of prospective Proponents in order to arrive at a shortlist of Proponents to allow for an orderly procurement.

RESPONSE DUE THURSDAY JULY 29, 2010

1.4 OVERVIEW OF THE CONTENTS OF THIS RFQ

This RFQ requires prospective Proponents to formally express their interest in submitting a proposal to enter into a PPP Contract for the Project. Sections 2 and 3 of this RFQ provide an introductory description of the Toll Roads and include highlights of the proposed Project. Section 4 discusses the required qualifications of prospective Proponents. Section 5 lists the RFQ submission requirements and procedures.

1.5 PROCESS

After the PPP Committee's review of RFQ submissions, Proponents that are shortlisted by the PPP Committee will have the opportunity to conduct a thorough due diligence of the Toll Roads through:

- i. The RFP for the Project, which will be issued with a detailed and fully-considered Concession Agreement. The Concession Agreement will contain, among other matters:
 - a. All of the rights and obligations of the concessionaire during the concession;
 - b. A detailed and comprehensive Maintenance Manual and Operating Standards;
 - c. A detailed Tolling Schedule, stipulating how tolls will be set throughout the concession;
 - d. A complete list of required/retained capital expenditure and required/retained existing contracts.
- ii. Access to a data room – this data room will appear online and provide a high level of information on the Toll Roads including:
 - a. Detailed revenue and transaction recordings at each of the toll plazas on PR-22 and PR-5;
 - b. A highly detailed asset survey, separately evaluating each mile of each road.
- iii. Proponent meetings;
- iv. A review and discussion of the Sponsors' Proposed PPP Contract and related documents.

Shortlisted Proponents will also need to sign a Confidentiality and Process Agreement before they can enjoy access to, or participate in, any of the above. A form of this will be provided upon announcement of shortlisting.

Following this process, final, binding bids will be requested in accordance with procedures to be provided to the shortlisted Proponents as part of an RFP process. A more detailed description of the negotiation and bidding process for shortlisted Proponents, together with a more detailed timetable, will be provided to those Proponents as part of the RFP process.

The PPP Committee reserves the right to reject any and all bids, to waive technical defects, irregularities or any informality in bids, and to accept or reject any bid at its discretion. The PPP Committee also reserves the right to postpone the date on which bids are required to be submitted, or to take any other action it may deem in its best interests.

RESPONSE DUE THURSDAY JULY 29, 2010

1.6 CONSORTIA

To the extent that any prospective Proponent has formed or proposes to form a consortium to participate in the RFP for this Project, such prospective Proponents should respond to this RFQ jointly setting out the identity and capabilities of all Team Members.

ADDITIONAL RULES WITH RESPECT TO CONSORTIA

For the purposes of this RFQ, the following definitions will apply:

- “Team” or “Proponent” means a(n) (i) individual, (ii) company, (iii) joint venture, or (iv) consortium of individuals and/or companies formed (whether formally or informally) to undertake the Project and enter into the PPP Contract; and
- “Team Member” means a member of a Team or Proponent. For the purpose of this Project, Team Members shall include each of the following with respect to a Team or Proponent:
 - Each person or legal entity who is formally or informally working with a Team or Proponent as a potential equity investor in the vehicle that will act as the Contracting Party for that Team or Proponent under the PPP Contract for this Project. This will include (without limitation) the ultimate holding company of any such investor or, in the case of a managed fund or pension plan, the manager of the fund or pension plan; and
 - Each Key Subcontractor.
- “Key Subcontractor” means each person or legal entity which will be principally responsible for undertaking the operations, maintenance and improvement work on the Toll Roads.

Please note the following with respect to Teams:

- No person or legal entity may join or participate with, directly or indirectly, as a Team Member in more than one Team or Proponent. Each person or legal entity who participates as a Team Member must ensure that each other person or legal entity which is Related to it does not join or participate with, directly or indirectly, as a Team Member in any other Team or Proponent without the prior written consent of the PPP Committee.

A person or company is “Related” to another person or legal entity if:

- one may exercise Control over the other; or
- each is under the direct or indirect Control of the same ultimate person or legal entity.

A person or legal entity exercises “Control” of another if it has the capacity to determine the outcome of decisions about the other’s financial and operating policies (whether formally or informally).

- The response of a prospective Proponent to this RFQ in no way limits that prospective Proponent’s ability to add to, substitute, or subtract from, its Team Members later during the procurement process, subject to the matters listed below, provided written notice is given to the PPP Committee and, in the case of any deletion or substitution of a Team Member who is identified in the prospective Proponent’s response to this RFQ, provided the prior written consent of the PPP Committee is first obtained, which consent may be withheld or delayed in its absolute discretion.

RESPONSE DUE THURSDAY JULY 29, 2010

Without limiting any other right it may have, the PPP Committee reserves the right to disqualify a Proponent or Team from the procurement if, in the PPP Committee's sole opinion, a change to a Proponent or Team would render the Proponent or Team materially different to the Proponent or Team that was originally shortlisted.

- To avoid doubt, prospective Proponents and Proponent Members who are not shortlisted will have the ability to join Proponents who were shortlisted, provided the procedure in the paragraph above is followed;
- Proponent Members who are members of Proponents who ARE shortlisted may not join, or participate with, directly or indirectly, another shortlisted Proponent without the prior written consent of the PPP Committee, which consent it may withhold or delay in its absolute discretion.
- The Authority is entitled to condition the selection of certain Proponents or Teams to having such Proponents or Teams join other shortlisted Proponents when, based on the qualifications of individual Proponents or Teams, the Authority determines that:
 - such action better serves the public interest; or
 - the evaluation criteria set forth in section 9(c) of the Act are better met if such action is taken.

1.7 RESTRICTED PARTIES

Restricted Parties (as defined below), their respective directors, officers, partners, employees and person or legal entities Related to them (as defined in section 1.6 above) are not eligible to participate as Team Members, or advise any Team Member, directly or indirectly, or participate in any way as an employee, advisor, or consultant or otherwise in connection with any Proponent. Each Proponent will ensure that each Team Member does not use, consult, include or seek advice from any Restricted Party. The following Restricted Parties have been identified:

- Macquarie Capital (USA) Inc
- Pietrantonio Mendez & Alvarez LLP
- URS Caribe LLP
- Roper Industries

Moreover, Proponents must comply at all times during the procurement process with the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts (the "**Ethics Guidelines**"). Prospective Proponents should review the Ethics Guidelines, which are available for download on the Authority's website: <http://www.p3.gov.pr>.

1.8 DEADLINE

Those interested in participating in the RFP process for the Project must respond to this RFQ no later than 17:00 Eastern Standard Time on **THURSDAY JULY 29, 2010**.

CLARIFICATIONS

Note that a prospective Proponent may request from the PPP Committee clarification, explanation or interpretation ("**RFC**") of any matter contained in this RFQ up to ten

RESPONSE DUE THURSDAY JULY 29, 2010

(10) days prior to the due date for the RFQ – that is, no later than July 19, 2010. Any such RFC from prospective Proponents must be made in writing. If the Authority provides any clarification as a result of an RFC, it will provide such clarification by means of a written document delivered to all prospective Proponents to which this RFQ was sent no later than July 22, 2010 (as required by the Regulation).

2. Toll Roads Description

2.1 PUERTO RICO

Puerto Rico, a self-governing commonwealth of the United States, is one of the most dynamic economies in the Caribbean region. Benefitting from its strong economic ties with the United States, Puerto Rico has a stable legal and regulatory regime where major U.S. corporations have historically operated to take advantage of its favorable investment environment and tax advantages.

Puerto Rico is currently awarded a BBB sovereign rating by Global Insight and benefits from a growing (0.9% CAGR over the past 35 years) and bilingual (Spanish and English) population. The economy includes a sophisticated financial system, acts as a global center for pharmaceutical manufacturing and contains strong consumer, retail and service sectors, as well. Puerto Rico carries an investment grade rating on its municipal bonds from both Moody's and Standard & Poor's.

It is worth noting Puerto Rico's close relationship to the U.S. federal government, where despite its commonwealth status, it is treated similarly to other states. Some examples of note include:

- Puerto Rico was awarded approximately \$6.5 billion in stimulus funds under the American Recovery and Reinvestment Act ("ARRA"). As of April 2010, Puerto Rico had disbursed \$2.8 billion of these funds.
- Generally, all United States federal laws apply in Puerto Rico and Puerto Rico is subject to the jurisdiction of the U.S. regulatory authorities.
- As a U.S. Commonwealth, the U.S. Federal Deposit Insurance Corporation (FDIC) insures banks operating in the Puerto Rico, which are subject to all federal controls applied to U.S.-based banks. The U.S. Securities and Exchange Commission (S.E.C.) regulates all publicly traded securities and commodities.

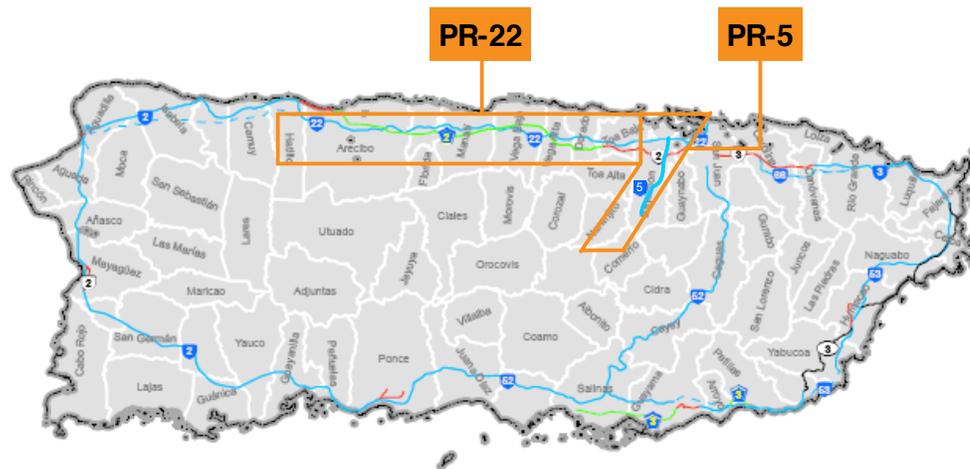
Key Puerto Rico Facts

Population	3.97 million
Land Area	8,959 sq. km
Currency	US Dollar
Language	Spanish, English

2.2 OVERVIEW AND HISTORY

Note: The PRHTA uses a July-June fiscal year. Any reference to a year in section 2 is a reference to a year beginning in July and ending in June of the year noted.

THE TOLL ROADS



PR-22

“PR-22 remains, and will continue to be, the central artery in the Puerto Rican transportation network and is a result of sustained investment by the government for over 20 years. A complete and fully-operational PR-22 is a visible symbol of the PRHTA’s commitment to improve transportation efficiency on the Island.”

PR-22, also known as the José De Diego Expressway, spans 52 miles (83.7 km) from East (San Juan) to West (Hatillo) in northern Puerto Rico. The region is a prominent pharmaceutical and manufacturing corridor with major companies such as Pfizer, Merck, Schering-Plough, and others maintaining operations dependent on PR-22 for ground transportation. The competing alternate route, PR-2, is a non-tolled, signalled road resulting in at least 45 minutes of additional travel time between San Juan and Arecibo. In 2009, PR-22 generated \$85 million of revenue, or 42% of the PRHTA’s total toll revenue, through 85 million transactions. The road currently has seven tolling stations, the largest of which, Buchanan, accounted for \$25 million in revenue and 26 million transactions in 2009.

PR-22 was first conceptualized in 1960 as a means of developing long-haul commercial logistics and enhancing commuter travel to and from San Juan and the urbanized northern regions of Puerto Rico. Throughout the 1960s, the PRHTA conducted due diligence and acquired the permits necessary to start construction.

The first segment of the road was 3.5 miles long and extended from San Juan west to the Bayamon River. Concurrently, the PRHTA began construction on the western

RESPONSE DUE THURSDAY JULY 29, 2010

portion of the road near Arecibo. Over the next two decades, construction continued with various segments opening to the public. The segments between San Juan and Toa Baja (11 miles) and Arecibo and Arecibo Ramp (13.5 miles) were opened in the 1970s. The final 26.5 mile segment between Arecibo Ramp and Toa Baja was opened in the early 1980s. Since completion, the PRHTA has continued to invest in PR-22 spending more than \$200 million in capital improvements over the past 10 years. In March 2004, the PRHTA began to introduce Electronic Toll Collection (“ETC”) across the tolled highway network to reduce revenue leakage.

Today, PR-22 is a 4-lane road for much of its length, but expands up to 12 lanes in parts of the San Juan metropolitan area.



Toll booth on PR-22: Here drivers can use one of the three *AutoExpreso* lanes (lanes marked with an “R” allows drivers to recharge or purchase an eGo sticker) or use the cash lanes (cash lanes marked with a “C”, like those below, offer change, while cash lanes marked with an “A” require exact change).



PR-22 remains, and will continue to be, the central artery in the Puerto Rican transportation network and is a result of sustained investment by the government for over 20 years. A complete and fully-operational PR-22 is a visible symbol of the PRHTA’s commitment to improve transportation efficiency on the Island.

RESPONSE DUE THURSDAY JULY 29, 2010

PR-22 – the Toll Road



PR-2 – the Competing Route



Over the next 12 months, the PRHTA will work to obtain all necessary approvals and rights of way to extend PR-22 at the western end. This project (the “**PR-22 Greenfield Project**”) will lengthen the western portion of the existing road by 28 miles, extending the road from Arecibo to Aguadilla. The extension will bring Puerto Rico close to achieving a full island circuit and reduce travel time from San Juan to Aguadilla by as much as an additional 30 minutes.

It is anticipated at this stage that the PR-22 Greenfield Project will be procured as a PPP under the Act at a later stage – it is not part of this Project.

PR-5

Opened in February 2006, PR-5 is a highway in the San Juan Metropolitan area which principally runs through Bayamón. It has one toll plaza in Bayamón near the PR-2 intersection. It is a very short freeway (of a little over 4 miles) from the border of south Cataño to the business area in Bayamón.

PR-5 joins directly with PR-22, and, as such, the owner of PR-22 would be the logical owner of PR-5.

This road delivered \$4.2 million of revenue in 2009 on 8.6 million transactions (in other words, around 5% of the size (in revenue terms) of PR-22).



Toll plaza on PR-5



PR-5

2.3 HISTORICAL TOLL REVENUE AND OPERATIONS

2.3.1 TOLL RATES

The following table sets out the toll rates for cars both before and after the most recent toll increase on September 1, 2005.

Toll Road	Toll Rates for Cars before 9/1/05	Toll Rates for Cars after 9/1/05
PR-22	\$2.60*/\$2.20**	\$3.75*/\$3.25**
PR-5	N/A	\$0.50

*Full length toll from Hatillo to San Juan.

**Full length toll from San Juan to Hatillo.

PR-22 Map with Toll Booths



2.3.2 HISTORICAL REVENUE

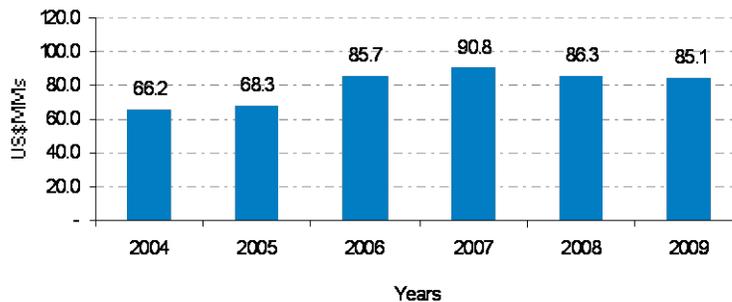
The following tables and charts set out the revenues for the Toll Roads since July 2003.

PR-22

Fiscal Year	Toll Revenues (in \$MMs)	% Change over previous year
2004	\$66.2	
2005	\$68.3	3.4%
2006*	\$85.7	25.4%
2007	\$90.8	6.0%
2008	\$86.3	(5.0)%
2009	\$85.1	(1.4)%
5 yr CAGR	5.2%	

Source: Puerto Rico Highway and Transportation Authority.

*Toll rate increases of 44.2% from Hatillo to San Juan and 47.7% from San Juan to Hatillo.



RESPONSE DUE THURSDAY JULY 29, 2010

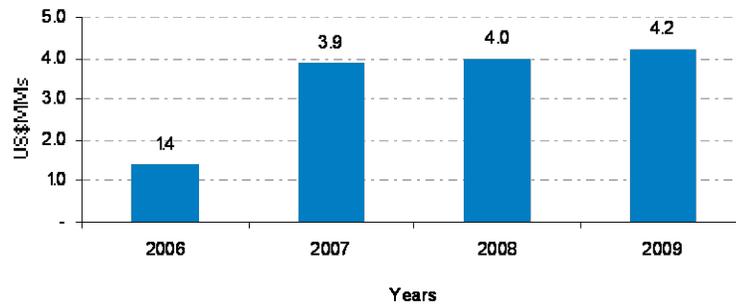
PR-5

Fiscal Year	Toll Revenues (in \$MMs)	% Change over previous year
2006*	\$1.4	
2007	\$3.9	N/A
2008	\$4.0	2.6%
2009	\$4.2	5.5%
3 yr CAGR**	7.7%	

Source: Puerto Rico Highway and Transportation Authority.

*2006 figures from February to June.

**CAGR was calculated with assumed 2006 revenue on a run-rate basis for full 12 months.



2.3.3 HISTORICAL TRANSACTIONS

The following tables and charts set out the tolling transactions for the Toll Roads since July 2003.

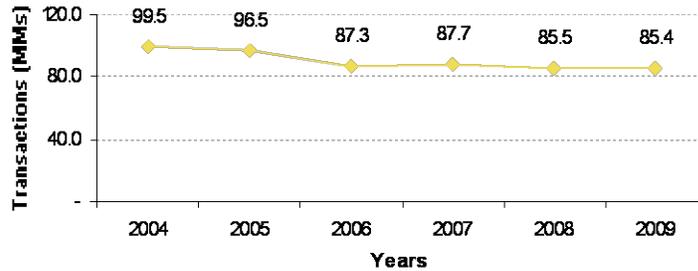
PR-22

Fiscal Year	Traffic Transactions (in MMs)	% Change over previous year
2004	99.5	
2005	96.5	(3.0)%
2006*	87.3	(9.5)%
2007	87.7	0.5%
2008	85.5	(2.5)%
2009	85.4	(0.2)%
3 yr CAGR	(0.7)%	

Source: Puerto Rico Highway and Transportation Authority.

*Toll rate increases of 44.2% from Hatillo to San Juan and 47.7% from San Juan to Hatillo on September 1 2005.

RESPONSE DUE THURSDAY JULY 29, 2010



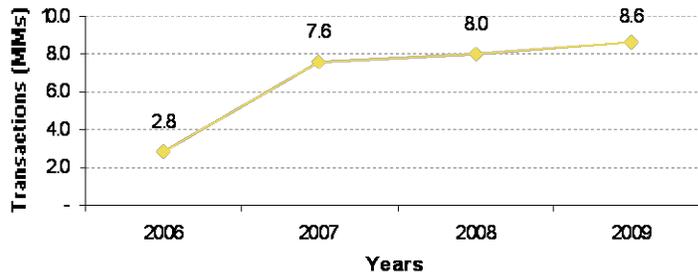
PR-5*

Fiscal Year	Traffic Transactions (in MMs)	% Change over previous year
2006	2.8	
2007	7.6	N/A
2008	8.0	6.0%
2009	8.6	6.7%
3 yr CAGR	8.6%	

Source: Puerto Rico Highway and Transportation Authority.

*2006 figures from February to June.

**CAGR was calculated with assumed 2006 transactions on a run-rate basis for full 12 months.



2.4 eGo

Puerto Rico uses two highly effective tools for ETC technology – the AutoExpreso Cash Cards and the eGo windshield stickers.

To enroll in the *AutoExpreso* cash card program, motorists purchase a kit containing the eGo paper-thin tag that attaches to the car windshield and an *AutoExpreso* card. The AutoExpreso card has a magnetic stripe that corresponds to the eGo tag and can be recharged as needed. For example, a customer can visit a participating retailer, swipe his card through a point-of-sale machine and provide \$20 to the cashier to be applied directly to his ETC account. As an added benefit, there is no requirement for a customer to fill out forms to register their account as they can continue to pay with cash. The ETC system also allows users to set up online accounts for replenishment through electronic methods such as debit and credit cards.

RESPONSE DUE THURSDAY JULY 29, 2010

The eGo sticker tag is a 915 MHz radio frequency programmable, beam-powered, windshield-mounted sticker tag ideal for applications requiring low-cost and high performance. These paper-thin, non-battery tags are easily installed and are appropriate for electronic toll collection, airport access, airport ground transportation management, and security access.

Retail outlets where motorists can purchase tags and replenish accounts have also grown significantly. Retail outlets include gas stations, drug stores and customer service centers. There remains an opportunity to improve *AutoExpreso* and eGo penetration even further.

For further details on *AutoExpreso* and eGo, see:

<https://www.autoexpreso.com/CustWebApp/WebIndex.jsp>

2.5 RECENT HISTORY OF KEY CAPITAL IMPROVEMENTS

The table below outlines the some of the key capital improvement projects completed on the Toll Roads. These improvements have contributed to the Toll Roads' revenue stability and ongoing traffic.

Highway	Description	Length (km)	Construction Start Date	Construction End Date	Construction Costs (in \$Mms)
PR-22	Rehabilitation of pavement between KM 74.1 – KM 81.0	6.9	5/31/2007	6/30/2008	10.3
PR-22	Rehabilitation of ramps (Toa Baja – Arecibo)	N/A	4/30/2008	6/30/2008	5.8
PR-22	Rehabilitation of pavement between KM 7.0 – KM 12.7	5.7	12/31/2008	12/31/2009	4.4
PR-22	Rehabilitation of pavement between KM 55.0 – KM 66.0	11.0	12/31/2008	8/31/2009	1.8

3. Investment Highlights

3.1 TOLL ROAD INVESTMENT HIGHLIGHTS

The Authority believes that the Toll Roads represent an excellent investment opportunity for the private sector. Though a current source of stable and growing cash flows for the PRHTA, the Authority believes that the private sector could unlock significant additional value and provide enhanced service to the people of Puerto Rico. Some of the key highlights of the Toll Roads are as follows:

LONG OPERATING HISTORY FOR ESSENTIAL ROADS

Constructed in the early 1970's, PR-22 has nearly 40 years of operating history providing comfort to investors that the traffic flows are established and predictable. The Toll Roads are essential conduits of Puerto Rico's traffic flow serving as the main arteries of transport on the Island and as vital commercial byways for manufacturing, services and essential infrastructure services. The revenue CAGR has been above 5% for the past 5 years.

LITTLE OR NO COMPETITION LEADING TO STRONG AND RELATIVELY INELASTIC GROWTH RATES

Other routes present little or no competition to PR-22. PR-2, the only competing route to PR-22, is a free, signaled road with heavy congestion. Time savings from travelling on PR-22 between San Juan and Hatillo are estimated to be at least 45 minutes. The importance of PR-22 as a critical transportation route was evidenced during the 2008-2009 recession, where despite falls in traffic revenues across most toll roads in the United States and globally, traffic and revenue for PR-22 remained generally constant to 2006 levels.

PR-5 also has an untolled competitor (PR-167), but the condition of PR-5 and its lighter signaling make it a preferred choice for travelers from San Juan to Bayamon.

VITAL COMPONENT TO PUERTO RICO'S COMMERCIAL NETWORK

PR-22 serves commercially vital regions of Puerto Rico. PR-22 exists along an important pharmaceutical and manufacturing corridor, where several multinational firms have operations. It also serves as the principal connection between San Juan and many of the most popular tourist resorts on the Island, including all of those in the west.

PR-5 serves the growing city of Bayamon, which suffers from the lack of an efficient mass transit system. With a significant size and population, Bayamon is an important economic center which will benefit from possible improvements that can be made to PR-5 through this concession.

HIGH VEHICLE DENSITY ON THE ISLAND

Puerto Rico's ratio of vehicles per capita is significantly greater than that of the continental United States. At more than 0.60 vehicle density, Puerto Rico ranks in the top three globally and has continued to grow. This high vehicle density provides comfort around the consistent traffic demand on the roads.

OPPORTUNITY TO INCREASE REVENUE THROUGH TECHNOLOGICAL UPGRADE

An incoming private sector operator will have the opportunity to capture significant benefit from the introduction of a higher level of ETC technology. ETC technology has been present in Puerto Rico since TransCore initially started the build-out in 2003 and has been embraced well by the people of Puerto Rico. However, with overall penetration rates around 40 – 45%, there remains significant scope for increased ETC penetration and leakage reduction.

OPERATIONAL EFFICIENCIES POSSIBLE ACROSS SYSTEM

The relative geographic proximity of the Toll Roads provides an operator the opportunity to derive significant operational efficiencies and savings across the system that it owns. Through the incorporation of PR-5 into the package or combined system, the operator is able to see additional revenue with relatively minimal additional cost.

STABLE INVESTMENT DESTINATION

The Commonwealth of Puerto Rico is one of the most dynamic economies in the Caribbean region. Benefitting from its Commonwealth status with the U.S., Puerto Rico has a stable legal and regulatory regime where major U.S. corporations have historically operated to take advantage of its favorable investment environment and tax advantages. Puerto Rico is currently awarded a BBB sovereign rating by Global Insight and benefits from a growing (0.9% CAGR over the past 35 years) and bilingual population. The economy includes a sophisticated financial system, acts as a global center for pharmaceutical manufacturing and contains strong consumer, retail and service sectors, as well.

4. Proponent Qualification Requirements and Evaluation Criteria

4.1 PROPONENT QUALIFICATION REQUIREMENTS AND EVALUATION CRITERIA

This RFQ is available for prospective Proponents who desire to participate in the RFP for the Project. All RFQ submissions will be reviewed based on the requirements set forth in Section 5 of this RFQ.

The Regulation states that:

The PPP Committee reserves the right to qualify a limited number of prospective Proponents in order to arrive at a short list for a particular Project; provided, that such right is contemplated in the applicable RFQ or RFP.

The Authority hereby notifies prospective Proponents of its right to limit the number of Proponents who will be shortlisted. The Authority will only do so if this would be in the interests of the Authority in achieving its objectives.

EVALUATION CRITERIA

Prospective Proponents who submit a response to this RFQ will be evaluated on the basis of the following three sets of criteria:

Compliance with Requirements of the Act

The RFQ submission will be reviewed to determine whether it satisfies the Act's requirements with respect to the following areas:

- The prospective Proponent shall have available such corporate or equity capital or securities or other financial resources that, in the judgment of the Authority and the PPP Committee, are necessary for the proper operation and maintenance of the Project;
- The prospective Proponent shall have a good reputation and the managerial, organizational and technical capacities, as well as the experience, to develop and administer the Project;
- The prospective Proponent shall certify that neither he or she, and in the case of a legal entity, its directors or officers, and in the case of a private corporation, the stockholders with direct or substantial control over the corporate policy, and in the case of a partnership, its partners, and in the case of natural persons or legal entities, any other natural person or legal entity that is the alter ego or the passive economic agent thereof, have been formally convicted for acts of corruption, including any of the crimes listed in Act No. 458 of December 29, 2000, as amended, whether in Puerto Rico or in any jurisdiction of the United States of America or in any foreign country. The prospective Proponent shall certify that it complies and shall continue to comply at all times with laws which prohibit corruption or regulate crimes against public functions or funds, as may apply to the prospective Proponent, whether Federal or State statutes, including the Foreign Corrupt Practices Act.

RESPONSE DUE THURSDAY JULY 29, 2010

Technical Capabilities

The review of technical capabilities will address whether the RFQ submission sufficiently demonstrates the prospective Proponent's technical capabilities required to operate and maintain a highway with respect to the following areas of expertise:

- Operation and maintenance;
- Capital improvements;
- Customer service;
- Community relations;
- Environmental responsibility; and
- Safety.

Financial Capability

The review of financial capabilities will address whether the RFQ submission sufficiently responds to the following requirements:

- Financial capacity to pay up-front acquisition proceeds and maintain and improve the Toll Roads;
- Ability to raise financing; and
- Credit quality to ensure the payment of any ongoing obligations, including, but not limited to, obligations under any PPP Contract.

5. RFQ Submission Requirements and Procedure

5.1 RFQ SUBMISSION REQUIREMENTS

Overview of Requirements

Macquarie Capital (USA) Inc. is serving as financial advisor (the “**Advisor**”) to the Sponsors in connection with this RFQ and the possible PPP Contract for this Project. Prospective Proponents that anticipate responding to this RFQ shall so indicate as soon as possible by providing contact information via e-mail to the PPP Committee’s e-mail address listed below. RFQ submissions should comply with the format provided under “Format and Required Information for RFQ Submission” below. Additional information not specifically related to the Project or this RFQ should not be included. All questions or requests for information regarding this RFQ should be directed to the PPP Committee via e-mail. Please do not contact any officials or related parties of the Sponsors in any other manner. Such contact may serve as grounds for disqualification.

Address questions, comments, RFCs and RFIs to:

PRHTA PPP Committee Representative

Request for Qualifications –

PR-22 and PR-5

E-mail: RFQ-PRHTA@p3.gov.pr

No Liability for Costs

The Sponsors and their advisors are not responsible for costs or damages incurred by prospective Proponents, Teams, Team Members, subcontractors, or other interested parties in connection with the solicitation process, including but not limited to costs associated with preparing responses, qualifications, and proposals, and of participating in any conferences, oral presentations or negotiations.

Modification and Termination Rights

The Sponsors reserve the right to modify or terminate the RFQ and the RFP for this Project at any stage if the Sponsors determine such action to be in their best interests. The receipt of proposals or other documents at any stage of either the RFQ or the RFP process will in no way obligate the Sponsors to enter into any contract of any kind with any party.

Authorization for Further Investigation

By submitting a response to this RFQ, each prospective Proponent specifically authorizes the Authority, PRHTA, the PPP Committee and their officers, employees and consultants to make any inquiry or investigation to verify the statements,

RESPONSE DUE THURSDAY JULY 29, 2010

documents, and information submitted in connection with this RFQ, and to seek clarification from the prospective Proponent's officers, employers, advisers, accountants and clients regarding the same.

5.2 FORMAT AND REQUIRED INFORMATION FOR RFQ SUBMISSION

All RFQ submissions should be prepared in English and follow the format outlined below.

Responses should not exceed a total number of **32 single-sided pages** (without exceeding the individual section limits below), not including the following:

- (a) any Proponent Certifications;
- (b) any Appendices (as specifically permitted below).

No other Appendices should be included.

Responses should **STRICTLY** comply with the following format:

- Cover Page (to include identification of all Team Members)
- Cover Letter (2 pages maximum)
- Table of Contents
- An executed Proponent Certification from the Proponent and, in the case of a Team, each Team Member. The form of this must strictly follow the form attached to this RFQ as Appendix A. See section 1.6 above for more information.
- Executive Summary (Optional – 2 pages maximum)
- Proponent Information (8 pages maximum)
 - i. Description of prospective Proponent: Provide a description of the prospective Proponent, including a description of all Team Members and the anticipated legal relationship (governance and capital structure) among the Team Members (e.g., partners, shareholders, consultants, etc.), as appropriate, and indicate whether the prospective Proponent or any Team Member participates in the World Economic Forum's Partnering Against Corruption Initiative (PACI).
 - ii. Roles of Team Members and Key Personnel: Briefly outline the roles of each Team Member and key personnel.
 - iii. Contact Person: Provide a single contact person for all future communication between the PPP Committee and the Team. Please identify the contact person's name, title, organization, work address, email address, and work, cell and fax numbers.
 - iv. Controlling Interest: Identify the natural persons or legal entities that hold the ultimate major or controlling interest in each Team Member.
 - v. Expected Advisors: Identify the natural persons or legal entities who are expected to act as legal, financial, or other advisors for the Team.
 - vi. Comparable Projects: Provide a list of comparable projects in which Team Members have participated. Prospective Proponents should specify how these comparable projects relate to the Project. *This list may be included in an Appendix if prospective Proponents so desire.*

RESPONSE DUE THURSDAY JULY 29, 2010

- vii. References: Provide a list of Team Member references. These references should be able to describe the relevant qualifications and capabilities of Team Members looking to take a leading role in the operation and maintenance of the Project. If possible, these references should come from the procuring government agencies or lead sponsors in previous roles. *This may be included in an Appendix if prospective Proponents so desire.*
- Compliance with the Act's Requirements (2 pages maximum)
 - i. Confirm the prospective Proponent's compliance with requirements of the Act as described in Section 4 of this RFQ under the heading "Compliance with Requirements of the Act".
- Technical Capability (8 pages maximum)

Prospective Proponents should address the following areas with respect to technical capability:

 - i. Operations and Maintenance Expertise: Prospective Proponents must provide evidence demonstrating their ability to operate and maintain a project of this nature and scope. Specifically, the prospective Proponent should have:
 - a. Substantial high-volume, toll-facility maintenance and operation experience;
 - b. Advanced knowledge of highway maintenance, repair, construction, and practical application of equipment and materials in toll-facility operations;
 - c. Demonstrated understanding in highway-aging behavior to assess and determine the applicability of remedial-maintenance action;
 - d. Extensive experience in using highway condition and weather information to prepare for seasonal maintenance; and
 - e. All the capabilities necessary to successfully operate and maintain the Toll Roads, including routine maintenance, operations management, tolling management and operations, administration and public relations, and traffic and emergency operations.
 - ii. Customer Service: Prospective Proponents must demonstrate their commitment to achieving the highest standards of customer service and satisfaction. Specifically, the prospective Proponents must highlight their experience and qualifications in the following areas:
 - a. Substantial high-volume, toll-facility maintenance and operation experience while maintaining productive ongoing relationships with government entities; and
 - b. Providing excellent customer service to the traveling public.
 - iii. Safety: Prospective Proponents must demonstrate their ability to address and resolve safety issues. Specifically, the prospective Proponents should have:
 - a. Knowledge of highway safety strategies and methodologies;
 - b. Experience in emergency response support; and
 - c. Background in relevant traffic engineering standards, specifications, policies, practices, and processes.

RESPONSE DUE THURSDAY JULY 29, 2010

- Financial Capability (8 pages maximum)
Prospective Proponents should address the following areas with respect to financial capability:
 - i. Financial Capacity: Prospective Proponents must demonstrate their financial capacity to pay the expected equity portion of the up-front acquisition proceeds and to maintain the Toll Roads for the term of the PPP Contract. To demonstrate sufficient financial capacity, Team Members must provide copies of audited financial statements for the past two years, together with any other relevant financial information. If audited financial statements cannot be provided, Team Members should provide enough financial information to demonstrate that they have the financial resources to successfully execute a project of this nature and scope. Financial factors which will be assessed include:
 - a. Adequacy of equity;
 - b. Profitability;
 - c. Availability of liquid equity; and
 - d. Demands from other projects.
 - ii. Ability to Raise Financing: Teams must provide specific evidence demonstrating their ability to raise financing for a project of this nature and scope. Specific factors that will be assessed include:
 - a. Capability of raising debt and equity in the current capital markets;
 - b. The number and size of past relevant transactions; and
 - c. Specific experiences on past relevant transactions.

5.3 RFQ SUBMISSION INSTRUCTIONS AND NEXT STEPS

Six copies of the RFQ submission should be delivered to the Authority at the address shown below no later than 17:00 Eastern Standard Time on Thursday, July 29, 2010.

Please deliver 6 hard copies of the RFQ submission along with one copy in portable document format (PDF) on a CD to each of:

Puerto Rico Public-Private Partnerships Authority
PRHTA PPP Committee Representative
cc: David Alvarez – Executive Director PPP Authority
Government Development Bank for Puerto Rico Building, 2nd Floor
Roberto Sánchez Vilella Government Center, De Diego Ave
San Juan, PR 00940-2001 USA

RESPONSE DUE THURSDAY JULY 29, 2010

5.4 CONFIDENTIALITY OF RFQ SUBMISSION

All RFQ submissions shall become the property of the Authority, except for documents or information submitted by prospective Proponents which are trade secrets, proprietary information or privileged or confidential information of the prospective Proponents. Prospective Proponents are advised to familiarize themselves with the confidentiality and publication provisions contained in Articles 9(i) and 9(j) of the Act and Section 9.3 of the Regulation to ensure that documents identified by prospective Proponents as “confidential” or “proprietary” will not be subject to disclosure under the Act.

If a prospective Proponent has special concerns about confidential or proprietary information that it would desire to make available to the PPP Committee prior to its RFQ submission, such Proponent may wish to:

- Make a written request to the PPP Committee for a meeting to specify and justify proposed confidential or proprietary documents.
- Make an oral presentation to the PPP Committee staff and legal counsel.
- Receive written notification from the PPP Committee accepting or rejecting confidentiality requests.

Failure to take such precautions prior to filing an RFQ submission may subject confidential or proprietary information to disclosure under Articles 9(i) and 9(j) of the Act and/or Section 9.3 of the Regulation.

The Authority will endeavor to maintain the confidentiality of any information that a prospective Proponent indicates to be proprietary or a trade secret, or that must otherwise be protected from publication according to law, except as required by law or by a court order. The PPP Committee shall determine whether or not the requested materials are exempt from disclosure. In the event that the PPP Committee elects to disclose the requested materials, it will provide the prospective Proponent notice of its intent to disclose. In no event shall the Government of Puerto Rico, the Authority, the PPP Committee or the PRHTA be liable to a prospective Proponent for the disclosure required by law or a court order of all or a portion of an RFQ submission filed with the Authority.

Upon execution of the PPP Contract, the PPP Committee is required to make public its report regarding the procurement process, which shall contain the information related to the qualification, procurement, selection and negotiation process, and the information contained in the RFQ submission, except trade secrets, proprietary or privileged information of the prospective Proponent clearly identified as such by the prospective Proponent, or information that must otherwise be protected from publication according to law, unless otherwise ordered by a court order.

5.5 DISCLAIMER

The information provided in this RFQ, or any other written or oral information provided by the Authority, PRHTA, the PPP Committee, Macquarie and their officers, employees and consultants in connection with the Project or the selection process is provided for the convenience of the prospective Proponents only. The prospective Proponents shall make their own conclusions as to such information. Oral explanations or instructions from officials, employees or consultants of the Authority, the PRHTA, the PPP Committee, Macquarie or any Puerto Rico public agency shall not be considered binding on the Authority, PRHTA, the PPP Committee or Macquarie. The Authority, the PRHTA, the PPP Committee, Macquarie and their officers, employees and consultants make no representation as to such information, the accuracy and completeness of such information is not warranted by any of them and none of them shall have any liability in connection with such information or the selection process, all of which liability is expressly waived by the prospective Proponents.

In connection with this proposed Project, the Authority and the PRHTA reserve all rights (which rights shall be exercisable by the Authority and the PRHTA in their sole discretion) available to them under applicable laws and regulations, including, without limitation, with or without cause and with or without notice, the right to:

- Modify the procurement process to address applicable law and/or the best interests of the Authority, the PRHTA, the GDB and the Commonwealth.
- Develop the Project in any manner that they deem necessary. If the Authority and the PRHTA are unable to negotiate a PPP Contract to their satisfaction with a Proponent, they may negotiate with the next highest ranked Proponent, terminate the process and pursue other alternatives relating to the Project or exercise such other rights as they deem appropriate.
- Cancel the procurement process, as applicable, in whole or in part, at any time prior to the execution by the PRHTA of an agreement, without incurring any cost obligations or liabilities.
- Issue a new RFQ after withdrawal of this RFQ.
- Reject any and all submittals and responses received at any time.
- Modify all dates set or projected in this RFQ.
- Terminate evaluations of responses received at any time.
- Exclude any prospective Proponent from submitting any response to the RFQ or bid, as the case may be, based on failure to comply with any requirements.
- Issue addenda, supplements and modifications to this RFQ.
- Require confirmation of information furnished by a prospective Proponent, require additional information from a prospective Proponent concerning its response and require additional evidence of qualifications to perform the work described in this RFQ.
- Seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFQ.

RESPONSE DUE THURSDAY JULY 29, 2010

- Add or delete prospective Proponent responsibilities from the information contained in this RFQ or any subsequent process instruments.
- Negotiate with any party without being bound by any provision in its response.
- Waive deficiencies in a response to the RFQ or permit clarifications or supplements to a response to the RFQ.
- Add or eliminate facility expansion to or from the Project.
- Modify the Project described in the RFQ.
- Incorporate the RFQ or any prospective Proponent's response to the RFQ as part of any formal agreement with the chosen Proponent.
- Not issue a notice to proceed after execution of any contract.
- Exercise any other right reserved or afforded to the Authority and PRHTA under the Act, the Regulation or this RFQ.

This RFQ does not commit the PRHTA to enter into a contract or proceed with the Project as described herein. The Authority, the PRHTA, the GDB, and the Commonwealth assume no obligations, responsibilities, or liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFQ, or in considering or making any submission. All of such costs shall be borne solely by each prospective Proponent.

In no event shall the Authority or the PRHTA be bound by, or liable for, any obligations with respect to the PPP Contract until such time (if at all) as a contract, in form and substance satisfactory to the Authority, the PRHTA and the Governor, has been executed and authorized by the PRHTA and, then, only to the extent set forth therein.

Appendix: Supplementary Legal Materials

APPENDIX A: FORM OF PROPONENT CERTIFICATION

[Letterhead of each Proponent and Proponent Member]

PRHTA PPP Committee Representative
Request for Qualifications –
PR-22 and PR-5

Dear PPP Committee Representative,

We have carefully reviewed the Request for Qualifications dated June 2010 (“**RFQ**”) issued by the Puerto Rico Public-Private Partnerships Authority and any other documents accompanying or made a part of the RFQ. Capitalized terms used in this certificate have the meanings given to them in the RFQ.

We acknowledge and agree to comply with all terms and conditions of the RFQ, the attached Statement of Qualifications and all enclosures thereto. Without limitation, we specifically acknowledge the disclaimer contained in section 5.5 of the RFQ.

We certify that the information contained in the attached Statement of Qualifications is truthful. We further certify that the individual who has signed and delivered this certification is duly authorized to submit the attached Statement of Qualifications on behalf of the prospective Proponent as its acts and deed and that the prospective Proponent is ready, willing and able to perform if awarded the PPP Contract.

We further certify that neither we, nor any of our officers, directors, controlling stockholders or partners, as the case may be, have been formally convicted for acts of corruption, including any of the crimes listed in Act No. 458 approved by the Legislative Assembly of the Commonwealth of Puerto Rico on December 29, 2000, as amended, whether in Puerto Rico or in any jurisdiction of the United States of America or in any foreign country.

We further certify that we comply and shall continue to comply at all times with laws which prohibit corruption or regulate crimes against public functions or funds, as may

RESPONSE DUE THURSDAY JULY 29, 2010

apply to the prospective Proponent, whether Federal, state or Commonwealth of Puerto Rico statutes, including the Foreign Corrupt Practices Act.

We further certify that no officer or employee of the Authority, the PRHTA, the PPP Committee or any other public agency of Puerto Rico who participates in the selection process described in, or negotiations in connection with, the RFQ (nor any member of their families) has an economic interest in or is connected with the prospective Proponent, and no officer or employees of the Authority, the PRHTA, the PPP Committee or any other public agency of Puerto Rico (nor any member of their families) has directly or indirectly participated with the prospective Proponent in the preparation of its RFQ submission.

We further certify that we are in compliance with the provisions of Act No. 84 approved by the Legislative Assembly of the Commonwealth of Puerto Rico on June 18, 2002, also known as the Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives of the Executive Agencies of the Commonwealth of Puerto Rico, a copy of which is available at the Authority's website: <http://www.p3.gov.pr>.

We further certify that we are in compliance with the provisions of the Authority's Guidelines for the Evaluation of Conflicts of Interest and Unfair Advantages in the Procurement of Public-Private Partnership Contracts, a copy of which is available at the Authority's website: <http://www.p3.gov.pr>.

We further certify that this proposal is made without prior understanding, agreement, connection, discussion or collusion with any other person, firm or corporation submitting separate Statement of Qualifications or any officer, employee or agent of the Authority, the PRHTA or the PPP Committee; and that the undersigned executed this Proponent's Certification with full knowledge and understanding of the matters herein contained and was duly authorized to do so.

The attached Statement of Qualifications shall be governed by and construed in all respects according to the laws of Puerto Rico and the terms of the RFQ.

Our business address is:

[Insert business address]

RESPONSE DUE THURSDAY JULY 29, 2010

Yours faithfully,

*[Insert appropriate signature block for signature by a person duly authorized to bind
the Proponent or Team Member]*