

REQUEST FOR PROPOSALS

for

CLAIMS MANAGEMENT AND RECONCILIATION SERVICES

April 13, 2018

Introduction

The Financial Oversight and Management Board for Puerto Rico (the “**Oversight Board**”) is sending out this Request for Proposals (“**RFP**”) for claims management and reconciliation services for the Commonwealth of Puerto Rico (the “**Commonwealth**”), the Puerto Rico Sales Tax Financing Corporation (“**COFINA**”), Puerto Rico Highways and Transportation Authority (“**HTA**”), Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“**ERS**”), and Puerto Rico Electric Power Authority (“**PREPA**,” together with the Commonwealth, COFINA, HTA and ERS, the “**Title III Entities**”).

Executive Summary and Request for Proposals

Under Title III of the Puerto Rico Oversight, Management and Economic Stability Act of 2016 (“**PROMESA**”), each Title III Entity may restructure its debts through a Title III case, similar to a proceeding under chapter 9 of the U.S. Bankruptcy Code. Pursuant to PROMESA, the Oversight Board serves as debtor representative for each of the Title III Entities in its respective Title III case. In that regard, the Oversight Board shall establish a claims resolution procedure for the Title III Entities that covers all elements of the claims process, including:

- an initial review of claims to prepare objections for non-substantive reasons;
- a breakdown of claims by “type” or “class;”
- developing reconciliation guidelines and substantive objection categories that comply with the law;
- delivering bilingual training materials to assist with the claims reconciliation process at the agency level;
- providing claim estimates;
- creating management level reporting;
- ensuring all claims have been categorized and acknowledged by the Court as “discharged” or “allowed;” and
- facilitating claims distribution process for allowed claims.

The purpose of this RFP is to solicit qualifications from individuals, firms, or consultant organizations (each of the foregoing, a “**Contractor**”) interested in providing the Oversight Board, as representative of each of the Title III Entities, and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“**AAFAF**”) with claims management and reconciliation services. The Oversight Board requests proposals from Contractors whose combination of experience and expertise will provide timely, cost-effective and quality professional services.

Request for Proposals

A. Scope of Services

- Develop workplan with project timeline that includes a timeline and cost estimate for each phase of the project, which shall be approved by the Oversight Board.

- Investigate the Title III Entities’ existing claims management process and available data to track claims or known liabilities.
- Gather information and materials with respect to component units of the Government of Puerto Rico (the “**Government**”).
- Supervise and provide bilingual training (including materials) for Government employees and lawyers at the agency level, and such other entities as the Oversight Board and AAFAF direct, with respect to the claims reconciliation process.
- Provide ongoing bilingual support for Government employees at the agency level, and such other entities as the Oversight Board and AAFAF direct, including the creation of either an online support chat interface or hotline to field questions.
- Build database to facilitate claims reconciliation process with support from financial leadership within the Government and the Oversight Board.
- Streamline data gathering through use of the existing claims agent reporting process and the Title III Entities’ advisors.
- Reconcile claims based upon detailed analyses of the Title III Entities’ books and records, including filing amended creditor lists where appropriate.
- Assist the Oversight Board, the Department of Justice of Puerto Rico and other Government local counsel to adjudicate and settle filed claims and scheduled liabilities, including providing training and/or support to such counsel where necessary.
- Assist the Oversight Board, AAFAF and the Title III Entities to deliver:
 - An initial claims’ estimate by claim type and subsequent status updates;
 - The estimated amount of allowed non-funded debt claims on a rolling basis;
 - The proposed claim types and reserve amounts to be established from time to time; and
 - Revised creditor lists based upon the reconciliation and resolution of various claims.

B. Schedule & Key Dates

<u>Date</u>	<u>Activity</u>
April 13, 2018	RFP distributed.
April 20, 2018	Deadline to submit proposal.
April 27, 2018	Selected applicants to provide demonstration of software to Oversight Board, AAFAF and Government agencies.
May 4, 2018	Selection of Contractor.

All dates set forth in this RFP are subject to modification.

C. Inquiries/Questions

IMPORTANT NOTE: Any and all inquiries and questions regarding this RFP and the RFP process must only be directed to Jaime A. El-Koury by email at jaime.elkoury@promesa.gov. The Oversight Board (and, to the extent applicable, AAFAF) will ensure all questions are answered based on input, review, and approval by the Oversight Board and AAFAF.

Answers to written questions received from prospective Contractor will be sent to all prospective Contractors without identifying the name of the prospective Contractor that submitted the question(s). All questions will be

responded to as soon as possible after receipt. Allow at least five (5) business days for distribution of responses. No questions will be accepted after April 18, 2018.

D. Key Information to be Included in Your Proposal

Please submit your proposal by responding to each item in this section. If there are items not applicable to your proposal, then please respond as such.

Description of Your Company. Please provide an overview of your company and its financial condition. For instance, please describe or provide, as applicable:

- Your date of formation, corporate form, jurisdiction of formation, and ownership structure.
- Name, title, location, and contact information of the person that will directly oversee the services that you propose to provide and who should be contacted about your proposal.
- A description of any material judgments, arbitration proceedings or other suits, pending or outstanding, against your company or its officers.
- A description of any material lawsuit or claim, or request for arbitration with respect to any material contract, filed by your company in the past seven years.
- A description of any default on a material contract occurring in the past ten years.

Your Experience and Proposed Services. Provide a summary of your experience providing claims management and reconciliation services for similar projects. For instance, please describe or provide, as applicable:

- Your company's approach and staffing for similar assignments.
- The services that you propose to provide broken down into various phases.
- The proprietary software to be utilized during the claims management and reconciliation process or the software your company will propose to use, including screenshots of the proposed software user interface.
- Brief case studies of relevant situations in which your company provided similar services.
- Your experience, if any, doing business in the Commonwealth, including, but not limited to, with municipalities and other instrumentalities of the Government.
- A detailed timeline reflecting the elapsed time and key milestones between your being selected as the Contractor per this RFP process and your assumption of such responsibilities.
- A listing of proposed members of the team that will handle this engagement, including their relevant experience in claims management and reconciliation and their language capabilities.

Your Compensation. Provide a detailed description of your expected compensation, broken down by type of service and specific pricing with respect to each phase of service to be provided (*e.g.*, initial round of claims review, books and records analysis, adjudication and settlement of litigation claims, etc.). Such description should also include an estimation of total costs expected to be incurred by Contractor related to this engagement.

Conflicts of Interest. In order to allow the Oversight Board to conduct an initial assessment of potential conflicts of interest, please provide a brief description of any potential conflicts of interest your company may have (even if remote) in providing the services described herein, including describing any work your company has performed for the Oversight Board, AAFAF, the Title III Entities, the Government, any of its instrumentalities, or any creditors or guarantors of indebtedness in relation to their activities in the Commonwealth. Indicate whether this activity is ongoing, and if not, when the prior engagement was concluded.

References. Please provide names and complete contact information (phone, email, address, etc.) for at least two business references that are directly relevant to the activities anticipated by this RFP and a brief description of the services you provided to each reference.

Other Matters. Provide any other information that you believe would be helpful for the Oversight Board to know in evaluating proposals submitted pursuant to this RFP process.

E. Anticipated Evaluation Criteria

The Oversight Board, in consultation with AAFAF, intends to evaluate proposals using a combination of criteria, including, but not limited to, those described below. The Oversight Board reserves the right to make the selection in its sole discretion, and may place more or less emphasis on any identified selection criteria.

- Management strength and depth of personnel resources.
- Depth of experience providing relevant services.
- Financial strength of the prospective Contractor.
- Scope of services proposed to be provided.
- Proposed compensation arrangement.
- Strength of references.

F. Other Matters

Sufficient Information & Representation. This RFP process is intended to provide all prospective Contractors with sufficient information to enable them to prepare and submit offers for consideration by the Oversight Board, in consultation with AAFAF. This RFP process does not obligate any prospective Contractor to procure or contract for services or supplies, and it shall not be construed as authorization to proceed with or be reimbursed for any of the costs of the work specified herein. Each prospective Contractor is responsible for all of its costs and expenses for preparation and submission of the proposal and all related activities.

Acceptance, Negotiation & Award. The Oversight Board, in consultation with AAFAF, will negotiate a contract with the prospective Contractor whose proposal, in the sole judgment of the Oversight Board, is the best. Experience, financial capacity, resources of the Contractor and other factors will be considered in the evaluation.

PROPOSALS SHOULD BE SUBMITTED BASED ON THE MOST FAVORABLE TERMS POSSIBLE

The Oversight Board reserves the right to negotiate, accept, or reject any or all of the proposals in whole or in part and waive any and all irregularities or technicalities.

Late Proposals & Modifications. The Oversight Board reserves the right to reject any or all proposals. Any prospective Contractor who submits or attempts to submit a proposal is solely responsible for the method of submission and assumes the risk that the proposal may be delayed or not received by the Oversight Board, whether by reason of equipment malfunction, human error, or any other cause whatsoever.

Assessing Proposals. The Oversight Board and its advisors will examine and evaluate proposals. Acceptance of proposals shall give rise to no liability or obligation on the part of the Oversight Board, AAFAF, or any of their advisors, and no prospective Contractor will have any cause of action against the Oversight Board, AAFAF, or any of their advisors arising out of a failure to award a contract to that prospective Contractor, or failure to consider any proposal or any expenses incurred by a prospective Contractor in the course of the preparation of the proposal. The Oversight Board reserves the right, in the Oversight Board's sole and absolute discretion, to request other proposals in the future. The Oversight Board reserves the right to consider any and all factors

relating to a determination of the ability and suitability of the prospective Contractor, their respective agents or representatives.

The Oversight Board reserves the right to negotiate separately with any respondent, as necessary, to serve the best interests of the Oversight Board and the Title III Entities. The Oversight Board may seek additional information from prospective Contractors submitting a proposal.

Disposition of Proposals. All information submitted in response to this RFP shall become the property of the Oversight Board and shall not be returned. Please be advised that any information provided to the Oversight Board may be subject to open records requests.

Release & Use of Information. The prospective Contractor will secure the prior written approval of the Oversight Board before any specifications, records, drawings, data, or other information relating to this RFP are released to anyone other than such prospective Contractor's directors, officers, employees, accountants, or attorneys.
