



GOVERNMENT OF PUERTO RICO

Puerto Rico Electric Power Authority
Governing Board

RESOLUTION 4770 RFP EMERGENCY RESTORATION SERVICES

- WHEREAS: The Puerto Rico Electric Power Authority (PREPA) is a public corporation and instrumentality of the Government of Puerto Rico created by Act 83 of May 2, 1941, as amended (Act 83). PREPA was created to provide electrical energy in a reliable way contributing to the general welfare and sustainable future of the people of Puerto Rico, maximizing benefits and minimizing social, environmental and economic impacts. In addition, PREPA provides a service based on affordable, fair, reasonable and non-discriminatory cost that is consistent with environmental protection, non-profit, focused on citizen participation and its clients.
- WHEREAS: Act 83 authorizes PREPA to grant contracts and formalize all the instruments that are necessary or convenient in the exercise of any of its powers.
- WHEREAS: Section 15(1)(a) of Act 83 states that all purchases made and contracts for supplies or services, except professional services, entered into by PREPA, including its capital construction contracts, shall follow a bid process.
- WHEREAS: Section 15(2) of Act 83 lists the instances in which a bid process will not be required.
- WHEREAS: In accordance with Section 15 (2)(f) of Act 83, a competitive bidding process shall not be necessary, when in the judgment of the Governing Board, a competitive request for proposal (RFP) process for the acquisition of goods, equipment, materials or services must be carried out to encourage greater competition, reduce the risk of collusion and promote the best possible terms and conditions in benefit of greater savings and reduction of costs and operational expenses of PREPA.
- WHEREAS: During September of 2017, Puerto Rico suffered the direct impact of Hurricane María, one of the most powerful hurricanes in U.S. history. Hurricane María devastated PREPA's electrical system, destroying over 80% of its transmission and distribution lines. On January 7, 2020, a magnitude 6.4 earthquake struck the south region of Puerto Rico. The event caused a complete blackout of PREPA's electrical system, as well as serious damage to the Costa Sur Power Plant.



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WHEREAS: The restoration of the electrical system is critical to allow for the proper functioning of other key utilities and services such as hospitals, police department facilities, firefighting, emergency response, water treatment supply and telecommunications, among others.

WHEREAS: In order to be prepared for future emergency events, PREPA must have the available tools to respond after a potential future emergency. As such, it must acquire the services of qualified firms to perform electric utility emergency restoration services. These firms must be able to restore aerial or underground transmission, distribution and secondary power lines. It must also reestablish substation facilities and repair streetlights.

WHEREAS: Mr. Fernando M. Padilla-Padilla, Restructuring and Fiscal Affairs Administrator (PMO) of PREPA, requests approval for the use of a request for proposal (RFP) process to procure Master Services Agreements (MSA) for emergency restoration works and services.

WHEREAS: As Mr. Padilla-Padilla indicated, important costs, such as labor and equipment hourly rates, lump sum payments for mobilization and demobilization and overheads pertaining to fuel, water, meals, and lodging are subjects that require analysis and discussions with proponents. Discussions may enable further cost refinements, allowing alternative ways of approaching certain prices, lowering costs for PREPA. As such, the RFP will provide PREPA the opportunity to negotiate, at the same time, with all proponents, to enable similar or equal prices among various contractors.

WHEREAS: The RFP is a competitive procurement process that provides PREPA the opportunity to obtain greater competition, reduce the risk of collusion and promote the best possible terms and conditions that will result in its best interests in terms of savings, costs and expenses.

WHEREAS: On March 2, 2020, Mr. Nelson Morales-Rivera, Chief Financial Officer, certified that the budget for Fiscal Year 2019-20 includes the funds for this RFP, in the amount of \$30,000,000 under emergency account 01-1747-17595-555-474.

THEREFORE: In accordance with Act 83, and after careful consideration of Mr. Padilla-Padilla's recommendation and the General Counsel's memorandum, dated March 11, 2020, PREPA's Governing Board resolves to:

1. Authorize the Office of Restructuring, Fiscal Affairs and Innovation to proceed with an RFP process to award various Master Service Agreements, as needed by PREPA, for emergency restoration services.
2. Delegate to PREPA's Chief Executive Officer the appointment of an evaluation committee to analyze the proposals and select the best alternative(s).
3. The Chief Executive Officer will inform the Governing Board of the result of the procurement process before executing the contract(s).
4. The General Counsel will review the terms and conditions of the contracts to ensure that they meet the legal requirements regarding government contracting.
5. Authorize the Chief Executive Officer to execute the contract(s) resulting from the RFP process.

Approved in San Juan, Puerto Rico, this twenty-fifth day of March, two thousand twenty.



Eduardo Arosemena- Muñoz
Secretary of the Board