



FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO

REQUEST FOR PROPOSALS

ACCOUNTING AND BOOKKEEPING SERVICES FIRM

February 3, 2017

Executive Summary

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) was established by the bipartisan Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), which was signed into law by President Obama on June 30, 2016 to address the economic crisis in Puerto Rico and to provide a method for a covered territory (Puerto Rico) to achieve fiscal responsibility and access to the capital markets.

The Oversight Board is tasked with working with the Government of Puerto Rico to create the necessary foundation for economic growth and to restore opportunity to the people of Puerto Rico. The Board consists of seven members appointed by the President of the United States and one ex-officio member designated by the Governor of Puerto Rico.

The Oversight Board is in the process of selecting a full service, certified public accounting firm to assist with all necessary accounting needs and requirements of PROMESA. The Oversight Board is issuing this Request for Proposals (“RFP”) to help with its selection process. The Board will subsequently review the submitted proposals to identify and engage the services of a certified public accounting firm.

The Board is looking for a firm with an active certified public accounting license in Puerto Rico that will be tasked with carrying out all accounting needs of the Board, including, but not limited to:

1) Bookkeeping Services

- a. All necessary bookkeeping activities, including accounts payable and receivable, billing, payments to vendors and processing of bi-weekly payroll;
- b. Monthly reconciliation of bank accounts as well as reconciliation of all General Fund Balance Sheet accounts;

- c. Entry and management of receivables;
- d. Preparation and filing of all local (including income, municipal, property, IVU), state and federal tax returns. We are planning to have operating offices and employees in San Juan, New York and Washington, D.C.;
- e. Preparation and filing of Department of State Informative return;
- f. Preparation and filing of quarterly and annual payroll returns;
- g. Preparation and filing of W-2 and W-3, Form 1099 and any other return required by the Internal Revenue Service or any government agency of the United States;
- h. Preparation and filing of informative returns as required by the Puerto Rico Treasury Department and the Internal Revenue Service;
- i. Preparation and filing of worker compensation informative returns.

2) Preparation of budget—together with the Board

3) Financial reporting

- a. Preparation of monthly financial statements in accordance with accounting principles generally accepted in the United States of America and other financial reports as required by PROMESA. We expect to have the monthly financial statements ten (10) days after the end of the month. Detail of specific reports will be provided in the future, but at a minimum will include year over year detail of General Fund Balance Sheet and Statement of Revenues, Expenditure and Changes in Fund Balance;
- b. Preparation of all the financial reports on the Board's own operations required by PROMESA and any report that may be required by the Government of Puerto Rico;
- c. Cash flow management;
- d. Forecasting and tracking actual revenues and expenses against proposed budgets;
- e. Responding to ad hoc inquiries and/or creating ad hoc reports;
- f. Preparation of financial reports, as required, for Board meetings.

4) Audit

- a. Preparation of year end General Fund Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Activities, along with the notes to the financial statements prepared in accordance with accounting principles generally accepted in the United States of America;
- b. Coordination and support to our external auditors to complete the audit of the financial statements of the Board within the time limits established by PROMESA.

5) Information Technology

- a. Provide accurate and up-to-date online access through a secure web portal to financial information.

In addition, the firm's certified public accountants should serve as a general resource to the Oversight Board on all accounting issues pertaining to Board operations, as needed.

We envision that the initial timeline for this initial engagement would continue through the end of fiscal year 2018. Please take this into consideration when you quote the fees and expenses for your services.

Accounting firms will be evaluated and selected based on the following factors:

- Responsiveness to Request for Proposals specifications;
- Competitiveness of proposal;
- Engagement cost;
- Presentation and quality of responses during interview screening (if any);
- Similar project experience;
- Qualifications and experience of the staff to be assigned to this engagement (full service, certified public accounting firm required);
- Understanding of the engagement;
- Experience with government accounting needs and practices, both in the United States and Puerto Rico;
- Credible plan to rapidly execute with physical Puerto Rico location;
- Demonstrated capability to perform the type of work requested;
- Utilization of local Puerto Rico resources or partners will be taken into consideration in the evaluation;
- Conflicts of interest review;
- Resumes of individual project/team leader(s) and members, including one clear team lead as well as team members with relevant experience and well-defined roles and ready access to relevant experts.

The factors are not listed in order of importance.

During the evaluation process, the Oversight Board reserves the rights to request additional information or clarifications and the right to reject any or all proposals.

Qualifications

Respondents should provide a description of their organization and any other organization they may choose to partner with, their qualifications, including any relevant previous experience in Puerto Rico, and their proposed approach for working with the Board.

All responses should include a plan for performing the services which articulates what services and the level of effort that would be required for the engagement.

Please include also in your submission a list and description of any connections, past and present, with Puerto Rico and any work that the applicant has performed or is performing for the Government of Puerto Rico or any of its instrumentalities.

Please confirm your firm's independence with respect to the Oversight Board and state if you have any conflict of interest or potential appearance of conflict of interest in taking this engagement by the applicants' current or prior engagements with other parties.

Please provide a list of current clients for which your firm is providing bookkeeping/accounting services. This section shall include the services being provided, a short description of the client, name of the Partner in your firm responsible for the services provided and contact information of the client.

Personnel Qualifications

Provide sufficient information and related experience of personnel who will perform the Oversight Board bookkeeping and accounting services. Include resumes of the Partner directly responsible for this engagement and other professionals directly involved. Resumes shall include all relevant experience during the last three years, education and professional licenses.

Fees and Expenses

The response to the RFP should include a proposed contract complete with terms, conditions and pricing, including the estimated number of hours. The response should also contain a list of each person who may perform services and their title, the proposed rate or blended hourly rate proposed, and the level of involvement anticipated for each component. Hourly rates of the firm's employees should be provided for services which may be requested outside of the scope described above. Notwithstanding the foregoing, the Board reserves the right to modify the form of proposed contract.

The firm shall present an invoice on a monthly basis for services rendered. Any out of scope service or expenditure shall be preapproved.

Response Deadline

The response to the RFP is due **no later than 5:00 p.m. on February 24, 2017**. Please respond in a thorough and timely fashion. Proposals submitted beyond the deadline may not be accepted. The Board reserves the right not to consider responses to the RFP or revisions after the response due date. All proposals received shall remain in effect for thirty (30) days from the date of receipt of the proposal. Evaluation of the responses and ultimate selection will be made by the Oversight Board.

It is the intent of the Oversight Board to select an accounting firm based on the RFP response and, at the Board's option, conduct subsequent interviews with various applicants. This will allow the applicant to present its credentials to the selection board.

All inquiries, correspondence, and submissions during the RFP process are to be addressed to the Oversight Board's Executive Director, Ramón Ruiz-Comas, via email at ramonruizjunta@gmail.com.