REQUEST FOR PROPOSALS

FEASIBILITY STUDY FOR THE

PHILIPPINES: VESSEL TRAFFIC MANAGEMENT SYSTEM

Submission Deadline:	**5:00 PM Manila, Philippines Time (PHT)**
	5:00 AM Washington D.C. Time (EST)
	July 31, 2026
Submission Place:	ELECTRONIC COPY VIA EMAIL TO: proc-bsd@dotr.gov.ph
	AND
	PHYSICAL COPY TO:
	BAC SECRETARIAT DIVISION Department of Transportation Unit 62, The Columbia Tower, Brgy. Wack-Wack Ortigas Avenue, Mandaluyong City 1555 Metro Manila, Philippines

SEALED and ELECTRONIC proposals shall be clearly marked and received prior to the time and date specified above. Proposals received after said time and date shall not be accepted.

REQUEST FOR PROPOSALS

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Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US $979,270 to the Philippines Department of Transportation (the "Grantee") in accordance with a grant agreement dated November 6, 2023 (the "Grant Agreement"). The Grant will fund the cost of services required in connection with the preparation of a Feasibility Study (the "Study") that would assess the viability of developing a proposed expanded vessel traffic management system (the "Project") located in Republic of the Philippines (the "Host Country"). The Grant Agreement is attached as Appendix 3 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Study.

1.1 BACKGROUND SUMMARY

Maritime communications infrastructure, including vessel traffic management system ("VTMS"), can help to address maritime safety issues by enabling increased awareness and coordination of maritime traffic. Similar to air traffic control, VTMS is a maritime traffic monitoring system that provides active monitoring and navigational information for vessels, particularly in congested ports and waterways. VTMS integrates data and information collected by advanced sensors, including radar, automatic identification systems, and very high frequency radios, to develop a complete picture of the maritime environment for effective traffic management and communication. However, although the Philippines has a complex network of navigational channels and waterways, maritime vessel traffic is not consistently monitored and managed, and advanced infrastructure to quantify marine traffic movements does not exist outside of a few major ports and waterways. This can result in significant vessel congestion in certain highly trafficked channels, delays in ingress and egress at ports, and increased risk of vessel collisions and environmental incidents.

In February 2018, the Philippines Department of Transportation ("DOTr") inaugurated the first VTMS for the Philippine Coast Guard ("PCG") in Cebu. That project, which was supported by the Japan International Cooperation Agency through grant funding, includes a control center at the Coast Guard District Central Visayas in Cebu and three radio stations located along the Cebu Strait. The VTMS enables the PCG to monitor vessels transiting the Cebu Strait, which is one of the Philippines' busiest maritime traffic areas, and to ensure safe and efficient traffic operations. The system also provides information on the exact location of distressed ships within the coverage area, allowing the PCG to respond faster in the case of emergencies and search and rescue operations.

As a nation comprised of over 7,000 islands, over 800 commercial ports, and growing vessel traffic activity, the Philippines needs to expand its VTMS capabilities to major ports and other navigational paths. Under the proposed Project, DOTr and the PCG seek to expand VTMS capabilities to other major ports and navigational paths. The Project would contribute to improving maritime safety in the Philippines and increasing the efficiency of maritime traffic in major ports and waterways.

Portions of a background Definitional Mission are provided for reference in Appendix 2.

1.2 OBJECTIVE

The objective of the Study is to assist the Grantee in assessing the viability of developing an expanded VTMS to cover major ports and waterways in the Philippines. The Study will assess and rank the potential implementation of VTMS at up to ten pre-identified locations in the Philippines and will select 8-10 locations for further detailed study. For each selected location, the Study will conduct further detailed technical analysis, design the VTMS architecture, and outline the infrastructure and technology requirements for implementation. The Study will also evaluate the performance of the PCG's existing VTMS center in Cebu and make recommendations for infrastructure and operational improvements. The Study will also evaluate the technical capacity of key Project stakeholders and their staff and develop recommendations on initial capacity building requirements and ongoing training demands to operate and maintain the VTMS. Finally, the Study will provide a detailed implementation plan that identifies key milestones and activities for the Grantee to implement the Project.

The Terms of Reference ("TOR") for this Study are included as Annex I to the Grant Agreement, attached as Appendix 3 to this RFP.

1.3 PROPOSALS TO BE SUBMITTED

The Grantee is soliciting technical proposals from which it will select a qualified U.S. firm to perform the Study. The administrative and technical requirements as detailed throughout the Request for Proposals ("RFP") will apply. Specific proposal format and content requirements are detailed in Section 3.

The amount for the contract has been established by a USTDA grant of US $979,270. The USTDA grant of US $979,270 is a fixed amount. Accordingly, cost will not be a factor in the evaluation and therefore, cost proposals should not be submitted. Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US $979,270 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are contained in Annex II of the Grant Agreement, attached as Appendix 3 to this RFP. In no event will the amounts contributed by USTDA for the Study exceed the amount of the Grant Funds. Payment to the Contractor selected will be made directly by USTDA on behalf of the Grantee with the Grant Funds provided under this Grant Agreement.

Appendix 4 contains the Reference Task Values (as defined in Appendix 4) that would be utilized by USTDA in the event of an amendment to or termination of the contract. In the event that (i) the Contract Parties amend the Terms of Reference in accordance with the terms and provisions of the contract, the Reference Task Values may be subject to reasonable and appropriate adjustments to reflect the change in value of one or more Tasks thereunder, subject to USTDA written approval, and in the event that (ii) the Contract and/or the Activity is terminated prior to completion of all Tasks under the Terms of Reference, or work under the Contract and/or Activity is otherwise not fully completed, USTDA may utilize the Reference Task Values to estimate the value of the work performed by the Contractor under the Terms of Reference prior to such termination or other date as specified by USTDA. To be clear, the Contractor is not required to adhere to these Reference Task Values in completing the work and does not need to seek approval from USTDA for deviations in estimated or actual costs. These Reference Task Values are provided simply because USTDA may refer to them in the event of either of the two (2) circumstances noted above.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called Philippines: Vessel Traffic Management System Feasibility Study.

2.2 DEFINITIONS

Please note the following definitions of terms as used in this RFP.

> The term "Request for Proposals" means this solicitation of a formal technical proposal, including qualifications statement.
> The term "Offeror" means the U.S. firm, including any and all subcontractors, which responds to the RFP and submits a formal proposal and which may or may not be successful in being awarded this procurement.

2.3 DEFINITIONAL MISSION REPORT

USTDA sponsored a Definitional Mission to address technical, financial, sociopolitical, environmental, and other aspects of the proposed project. Portions of the report are attached at Appendix 2 for background information only. Please note that the final and authoritative TOR referenced in the report are included as Annex I to the Grant Agreement, attached as Appendix 3 to this RFP.

2.4 EXAMINATION OF DOCUMENTS

Offerors should carefully examine this RFP. It will be assumed that Offerors have done such inspection and that through examinations, inquiries and investigation they have become familiarized with local conditions and the nature of problems to be solved during the execution of the Study.

Offerors shall address all items as specified in this RFP. Failure to adhere to this format may disqualify an Offeror from further consideration.

Submission of a proposal shall constitute evidence that the Offeror has made all the above-mentioned examinations and investigations, and is free of any uncertainty with respect to conditions which would affect the execution and completion of the Study.

2.5 PROJECT FUNDING SOURCE

The Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US $979,270.

2.6 RESPONSIBILITY FOR COSTS

Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal. Neither USTDA nor the Grantee assumes any obligation as a result of the issuance of this RFP, the preparation or submission of a proposal by an Offeror, the evaluation of proposals, final selection or negotiation of a contract.

2.7 TAXES

Offerors should submit proposals that note that in accordance with the USTDA Mandatory Contract Clauses, USTDA grant funds shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country.

2.8 CONFIDENTIALITY

The Grantee will preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror, to the extent permitted by the laws of the Host Country.

2.9 ECONOMY OF PROPOSALS

Proposal documents should be prepared simply and economically, providing a comprehensive yet concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

2.10 OFFEROR CERTIFICATIONS

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal; and (d) that it has not sought by collusion to obtain for itself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in the Grant Agreement in Appendix 3.

2.12 LANGUAGE OF PROPOSAL

All proposal documents shall be prepared and submitted in English, and only English.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

The **Cover Letter** in the proposal must be addressed to:
"DEPARTMENT OF TRANSPORTATION - BAC Secretariat Division"

Proposals shall be submitted in electronic AND hard copy form. The electronic copy shall be submitted via e-mail attachment(s) to proc-bsd@dotr.gov.ph (in English, PDF files preferred). Electronic copies of your proposal must be received at the above e-mail address no later than 5:00PM local time in Manila, Philippines, on July 31, 2026, Offerors shall not use file hosting services or external links for electronic submission. The maximum attachment size is 25MB, so if the files are larger than 32MB, please send multiple e-mails.

A hard copy version of the proposal shall also be submitted. Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the below address before the deadline.

BAC SECRETARIAT DIVISION
Department of Transportation
Unit 62, The Columbia Tower, Brgy. Wack-Wack
Ortigas Avenue, Mandaluyong City
1555 Metro Manila, Philippines

2.14 LABELING

Proposals submitted electronically must be clearly labeled, including the contact name and the name of the project.

2.15 OFFEROR'S AUTHORIZED NEGOTIATOR

The Offeror must provide the name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

2.16 AUTHORIZED SIGNATURE

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

2.17 EFFECTIVE PERIOD OF PROPOSAL

The proposal shall be binding upon the Offeror for ninety (90) days after the proposal due date, and Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

2.18 EXCEPTIONS

All Offerors agree in their response to this RFP announcement to abide by the procedures set forth herein. No exceptions shall be permitted.

2.19 OFFEROR QUALIFICATIONS

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory, feasibility study and/or other services similar to those required in the TOR, as applicable.

2.20 RIGHT TO REJECT PROPOSALS

The Grantee reserves the right to reject any and all proposals.

2.21 PRIME CONTRACTOR RESPONSIBILITY

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of any subcontractors. USTDA nationality provisions apply to the use of subcontractors and are set forth in detail in Annex II of the Grant Agreement, attached as Appendix 3 to this RFP. The successful Offeror shall cause appropriate provisions of its contract, including USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

2.22 AWARD

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received.

2.23 COMPLETE SERVICES

The successful Offeror shall be required to (a) provide local transportation, office space and secretarial support required to perform the TOR if such support is not provided by the Grantee; (b) provide and perform all necessary labor, supervision and services; and (c) in accordance with best technical and business practice, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete the TOR to the satisfaction of the Grantee and USTDA. By submitting a proposal, the Offeror understands and agrees that (i) the TOR in Annex I to the Grant Agreement (included herein in Appendix 3) must be completed as written; (2) the Offeror is responsible for completing the TOR as written; and (3) the Offeror has the capacity to fully complete the TOR. Per the terms of the contract, any modifications to the TOR are only valid if both the Grantee and USTDA pre-approve the changes in writing.

2.24 INVOICING AND PAYMENT

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. After the Grantee's approval of each deliverable and associated invoice, the Grantee will forward the invoice to USTDA. Upon receipt of a valid, Grantee-approved invoice, USTDA shall make its disbursement of the grant funds directly to the U.S. firm in the United States. USTDA's receipt and processing of the invoice does not constitute approval, validation or endorsement by USTDA of the deliverable(s). Payment by USTDA also does not constitute approval or endorsement of the quality of work performed by the Contractor or Subcontractors, or confirmation or agreement by USTDA that the work was performed in accordance with the terms and conditions of the contract, the TOR for the Study or the USTDA Mandatory Contract Clauses. USTDA reserves the right to audit the books, records, and other documentation for the Study as described in USTDA's Mandatory Contract Clauses to the Contract. USTDA may require additional information, such as deliverables, before remitting payment. The last payment shall not be disbursed until the Final Report is approved by the Grantee and USTDA. All payments by USTDA under the Grant Agreement will be made in U.S. currency. Detailed provisions with respect to invoicing and disbursement of grant funds are set forth in the USTDA Mandatory Contract Clauses, Annex II of the Grant Agreement, attached as Appendix 3 to this RFP.

Section 3: PROPOSAL FORMAT AND CONTENT

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered, and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. A cost proposal is not required because the amount for the contract has been established by a USTDA grant of US $979,270, which is a fixed amount.

Each proposal must include the following:

Description	Maximum Pages
Transmittal Letter	1
Cover/ Title Page	1
Table of Contents	As many as needed
Executive Summary	5
Firm Background Information	As many as needed
Organizational Structure, Management Plan and Key Personnel • Team composition, short description of experts, including roles • Forms for the source of information of the nominated key experts, which can be the "Appendix 6"	As many as needed
Technical Approach and Work Plan • Description of approach, methodology, and work plan • Work schedule and plan for deliverables (graph/chart) • Description of deliverables (reports, workshops, film) to be produced	50
Experience and Qualifications	As many as needed

Detailed requirements and directions for the preparation of the proposal are presented below.

3.1 EXECUTIVE SUMMARY

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

3.2 FIRM BACKGROUND INFORMATION

The Offeror shall provide background information on the U.S. firm and any subcontractors, which may include company name, type of business structure, ownership/management team, location, company history, mission statement, products and services offered, objectives and a vision statement.

3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT PLAN, AND KEY PERSONNEL

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Study. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Study.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor. While additional personnel may be proposed, including support staff, offerors shall designate no more than 10 key personnel in their proposals.

A workforce schedule and the level of effort for the project period, by activities and tasks, as detailed under the Technical Approach and Work Plan shall be submitted. A statement confirming the availability of the proposed project manager and key staff over the duration of the project must be included in the proposal.

3.4 TECHNICAL APPROACH AND WORK PLAN

Describe in detail the proposed Technical Approach and Work Plan (the "Work Plan"). Discuss the Offeror's methodology for completing the project requirements. Include a brief narrative of the Offeror's methodology for completing the tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Within the Technical Approach and Work Plan, the Offeror must describe how they will approach and conduct the assignment. As part of the Technical Approach and Work Plan, the Contracting Team must commit to work on the Project as per the tasks, schedule, personnel and deliverables and related items as outlined in the TOR. **They must provide written and signed commitments by each team member regarding scheduling availability** (e.g., linked to specific calendar dates, and commit in writing that they will retain their availability for the complete duration of the Study as per the TOR's schedule. If a Consulting Team has resources or ideas as to how to enhance the TOR, these resources and/or ideas can be submitted for consideration as an enhancement to the requirements in the TOR, but may not substitute for any tasks, deliverables or scheduling plans identified in the TOR.

Based on the Work Plan, and previous project experience, describe any support that the Offeror will require from the Grantee. Detail the amount of staff time required by the Grantee or other participating agencies and any workspace or facilities needed to complete the Study.

3.5 EXPERIENCE AND QUALIFICATIONS

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Study. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project. The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

A minimum of five (5) but not more than six (6) relevant and verifiable project references—completed within fifteen (15) years prior to the deadline of proposal submission—must be provided for each of the Offeror and any subcontractor, including the following information:

Project name,
Name and address of client (indicate if joint venture and if so identify share of project contribution),
Client contact person (name/ position/ current phone/ email),
Period of Contract,
Description of services provided,
Dollar amount of Contract, and
Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to the Study as described in this RFP. Specifically, Offerors must give detailed information about preceding experience, if any, working in similar projects in the Philippines, Southeast Asia Region, and other developing countries. Each Offeror must also provide a description of the previous project, the client, the nature of the work, the duration of the assignment, and the value of the contract. **A minimum of five previous projects should be included in the technical proposal.**

Offerors shall propose a project team that will be fully qualified to execute the Study. The proposed staff should include senior U.S. experts that are experienced in, and fully familiar with VTMS, maritime transport, project economics, and financing options. Each of the key personnel must be supported with:

- Detailed resumes for each of the individuals, which must specify his/her citizenship;
- Supporting project and/or region examples of relevant work activities to the proposed assignment as described in the TOR and within the section on Contractor Qualifications, and a description of how these projects and/or region examples provide evidence of

competence and/or expertise as related to the proposed assignment and Contractor Qualifications; and
- Detailed information regarding any experience working with government, state-run organizations, particularly in Southeast Asia and other developing countries.

Offerors must include the number of years or duration of projects or work experience for all personnel. Proposals that do not include all requested information shall be considered non-responsive.

At its discretion, the Grantee may determine that experts proposed by an Offer should be disqualified based upon circumstances including, but not limited to:

- The expert is proposed for a national position but does not fulfil the requisite criteria as defined;
- The expert failed to state his or her citizenship on the curriculum vitae;
- The expert is a current employee of the Client; or
- The Offeror and the expert failed to disclose any situation of an actual or potential conflict of interest, sanctions, criminal records or other information that would make the expert ineligible under specific sections about the expert.

Proposals that do not include all requested information shall be considered non-responsive. However, at its discretion, the Grantee may request additional information or clarifications from Offerors provided that equal opportunity is afforded to all Offerors to address identified deficiencies.

3.6 SUBMISSION OF RFP QUESTIONS

Prospective Offerors may submit questions related to the content of this RFP to: RFP@ustda.gov. The deadline for submitting questions shall be July, 17, 2026, 5:00 PM Washington D.C. Time (EST). The email subject line must read: "RFP Question: Vessel Traffic Management System Feasibility Study; USTDA Activity No. 2023-31005A." Questions received by any other means shall not be accepted.

Section 4: AWARD CRITERIA

Individual proposals will be initially evaluated by a Bid and Awards Committee Technical Working Group comprised of representatives from the Grantee's Office of Usec. and Asec. for Maritime, Office of Usec. and Asec. for Planning, and Office of Asec. for Procurement, as well as Coast Guard Weapons Communications Electronics and Information System Command, Deputy Chief of Coast Guard Staff for Maritime Safety Services, CG-8, Deputy Chief of Coast Guard Staff for Strategic Studies and Modernization, CG-15, Navigational Safety Service, PCG Project Management Office (PCG PMO), Maritime Safety Services Command Project Management Office (MSSC PMO), Coast Guard Infrastructure Development Service (CGIDS), and Coast Guard Real Estate Management Service (CGREMS). The Committee will then conduct a final evaluation and completion of the ranking of qualified Offerors. Offerors must achieve a minimum score of 70 out of 100 to qualify for the selection process. If necessary, the Grantee may also request Offerors to submit supplemental information or documentation to aid in the ranking.

The Grantee will notify USTDA of the best qualified Offeror, and USTDA shall review the submission and qualifications of the Offeror to ensure compliance with USTDA requirements. USTDA may object to a Contractor selected by a Grantee for a Grant Activity based on criteria provided in Appendix 5 of this RFP. If USTDA issues a no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second most qualified Offeror and so forth.

The selection of the Contractor will be based on the following criteria:

Evaluation Criteria		
No.	**Selection Criteria**	**Maximum Points**
1	***General Experience and Qualifications (10 points)***	
1.1	• Overall experience of the firm in the maritime industry	7
1.2	• Experience working in developing countries under comparable conditions	3
2	***Specific Applicable Experience (35 points)***	
2.1	• Experience in conducting feasibility studies, technical assessments, or implementation of VTMS or related maritime technologies.	25
2.2	• Experience in conducting feasibility studies, technical assessments, or implementation of VTMS or related maritime technologies in developing economies or environments with minimal systems in place.	10
3	***Approach and Methodology (25 points)***	
3.1	• Knowledge of proposed work and understanding of the services to be performed as demonstrated by the proposed	25

	technical approach, methodology, work plan, organization, and staffing	
4	***Qualifications of Proposed Key Personnel (25 points)***	
4.1	• Project Team Leader (min. 10 years of experience)	10
4.2	• Senior VTMS Expert/Engineer (min. 7 years of experience)	5
4.3	• Financial Expert/Transport Economist (min. 5 years of experience)	5
4.4	• Environmental Expert (min. 5 years of experience)	3
4.5	• Institutional and Legal/Regulatory Expert (min. 5 years of experience)	2
5	***Overall Impression (5 points)***	5
Total		**100**

Proposals that do not include all requested information shall be considered non-responsive. However, at its discretion, the Grantee may request additional information or clarifications from Offerors provided that equal opportunity is afforded to all Offerors to address identified deficiencies.

Price will not be a factor in contractor selection.

APPENDIX 1

PROJECT SYNOPSIS

Philippines: Vessel Traffic Management System Feasibility Study

The Philippines Department of Transportation ("DOTr") invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to execute a feasibility study ("Study") for assessing the viability of developing an expanded vessel traffic management system ("Project") in the Republic of the Philippines ("Host Country"). The Proposal submission deadline is July 31, 2026. The U.S. firm selected will be paid in U.S. dollars from a $979,270 grant to DOTr from the U.S. Trade and Development Agency.

About the Grantee

DOTr is the primary policy, planning, and implementing entity responsible for the development and regulation of transportation systems in the Philippines. Within DOTr, key stakeholders include the Office of the Undersecretary for Maritime and the Philippine Coast Guard ("PCG"), an attached agency under DOTr which is responsible for ensuring maritime safety and security in the Philippines and would be the primary operator of the Project. The PCG is also responsible for enforcing laws within Philippine waters, safeguarding life and property at sea, conducting maritime search and rescue operations, and protecting the marine environment and resources.

Project Background

Maritime communications infrastructure, including vessel traffic management systems ("VTMS"), can help to address maritime safety issues by enabling increased awareness and coordination of maritime traffic, particularly in congested ports and waterways. However, although the Philippines has a complex network of navigational channels and waterways, maritime vessel traffic is not consistently monitored and managed, and advanced infrastructure to quantify marine traffic movements does not exist outside of a few major ports and waterways. This can result in significant vessel congestion in channels, delays at ports, and increased risk of vessel collisions and environmental incidents. In February 2018, DOTr inaugurated the first VTMS for the PCG in Cebu, enabling the PCG to monitor vessels transiting the Cebu Strait and to ensure safe and efficient traffic operations. Under the proposed Project, DOTr and the PCG seek to expand VTMS capabilities to other major ports and navigational paths.

About the Study

The objective of the Study is to assist DOTr in assessing the viability of developing an expanded VTMS to cover major ports and waterways in the Philippines. The Study will assess and rank the potential implementation of VTMS at up to ten pre-identified locations in the Philippines and will select 8-10 locations for further detailed study. For each selected location, the Study will conduct further detailed technical analysis, design the VTMS architecture, and outline the infrastructure and technology requirements for implementation. The Study will also evaluate the performance of the PCG's existing VTMS center in Cebu and make recommendations for infrastructure and operational improvements. The Study will also evaluate the technical capacity of key Project stakeholders and develop recommendations on initial capacity building requirements and ongoing training demands to operate and maintain the VTMS. Finally, the Study will provide a detailed implementation plan that identifies key milestones and activities for DOTr and the PCG to implement the Project.

APPENDIX 2

PORTIONS OF BACKGROUND DEFINITIONAL MISSION REPORT

Executive Summary

The report at hand presents the Definitional Mission Team's findings and recommendations for the first project concept, development and consequently the implementation of a Vessel Traffic Management System (VTMS). The Project, defined to be the development and consequently the implementation of a Vessel Traffic Management System, will result in several developmental impacts including an overall economic impact on the Project area resulting from safer and more efficient navigation of vessels due to the development of the VTMS. The Project will also create temporary jobs during the construction period and permanent jobs during the operations phase. It will help develop local skills of residents in a set of specialized professions.

Project Description

In early 2018, the Philippine Department of Transportation (DoTr) inaugurated the Philippine Coast Guard's first VTMS. The system is composed of a VTMS control center and three radar stations strategically located at the headquarters of the Coast Guard District Central Visayas in Talisay, Bantalinao, and Interbridge. The location provides full coverage of vessel movements to prevent congestion along the Cebu-Mactan Channel.

The objective of a VTMS, oftentimes also referred to as Vessel Traffic Service (VTS) is to improve the safety and efficiency of maritime traffic movements, to improve the safety of life at sea, and to protect the environment in accordance with the International Maritime Organization (IMO) resolution A.857 (20).

As the second largest domestic port in the Philippines and a maritime hub for the Visayan region, the port of Cebu is one of the busiest maritime traffic areas in the country. The investment was especially critical given the history of collision of the Philippine-registered passenger ferry operated by 2Go Travel, 'M/V St Thomas Aquinas', and a cargo ship named 'M/V Sulpicio Express Siete' of Philippine Span Asia Carrier Corporation, causing the sinking on August 16, 2013. The collision caused the death of 55 passengers, 65 missing with 750 rescued.

There are a large number of ports in the Philippines, and an intensive network of navigation channels. Marine vessel traffic is neither monitored nor managed presently. The infrastructure and hardware do not exist to quantify marine traffic numbers or movements. This can result in significant vessel congestion in certain highly trafficked channels, delays in ingress and egress at ports, and long offshore idling times while waiting for slips. From an economic and financial efficiency perspective, vessels notice a remarkable reduction in turnaround when a VTMS is implemented at a port. The Philippine Shipping Society has been lobbying the Philippines Port Authority to implement VTS to reduce their turnaround for a number of years. One shipping company claimed that currently they can make two round trips through the Philippines in one month, but with VTS, they believe they can make three and increase their revenues by 30 percent. Internationally, it is well recognized that a VTMS significantly reduces wait times, allows vessel operators to know in advance that a slip is occupied, can instruct ships to slow down and save tens of thousands of dollars in fuel, as well as provide significantly reduced paperwork to speed up port operations. Similarly, there is no comprehensive mechanism to monitor and evaluate marine traffic incidents or casualties, a typical metric of marine safety. It is for this reason that the PCG requested a feasibility study for the development of a comprehensive VTMS for the ports of the Philippines.

In accordance with IMO, Vessel Traffic Service (VTS) is a service implemented by a Competent Authority (i.e., certified to operate and maintain the system), designed to improve the safety and efficiency of vessel traffic and to protect the environment. The service should have the capability to interact with the traffic and to respond to situational traffic developments in the VTS area. In the context of this Project, the Competent Authority would be the DoTr under the Philippine Port Authority. The VTS authority is the authority with responsibility for the management, operation, and coordination of the VTS, including interaction with participating vessels, in this case the Philippine National Coast Guard.

There are differences between Port/Harbor VTS compared to Coastal VTS. Given the size and type of port and coastal areas, a combination of both types is considered in this Definitional Mission. The following eighteen (18) ports, which account for a fraction of the 1,250 ports (including 429 fishing ports and 821 commercial ports) along the 36,289 km of coastline in the Philippines[1], were identified by the PCG for consideration in this Project.[2]

1. NCR-South Harbor
2. Puerto Princesa, Palawan
3. Lubang, Batangas
4. Davao City
5. Ilo-Ilo City
6. San Fernando, La Union
7. Aparri, Cagayan
8. Matnog, Sorsogon
9. Allen, Northern Samar
10. Biri Island, Northern Samar
11. Surigao City
12. Legaspi City
13. Ormoc, Leyte
14. Zamboanga City
15. Balabac, Palawan
16. Busuanga, Palawan
17. Tacloban City
18. Sanggani Bay, Gen. Santos City

Project Sponsor’s Capabilities and Commitment

This Project was initially presented to USTDA by the DoTr at a meeting that took place in Manila on October 27, 2018 with the Undersecretary for Maritime Transport. Upon following up with the DoTr, the Definitional Mission team was instructed to follow up with the PCG since they would be the primary operator of the proposed system.

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[1] CIA World Factbook, 2021

[2] Please note that this list of sites has been updated and refined by the PCG since the Definitional Mission contractor’s completion of this report. The full and most up-to-date version of the list of ten (10) preliminary sites can be found in Task 2 (Preliminary Assessment of Existing VTMS Center, Proposed Sites, and Prioritization of Ports) of the Terms of Reference for this Study, as contained in Annex I of the Grant Agreement dated November 6, 2023.

Although it is an armed and uniformed service, the PCG is an agency attached to the DoTr of the Philippines. In other words, it is considered a civilian entity. It maintains a presence with fifteen Coast Guard Districts, ninety-six Coast Guard Stations, and over five hundred forty Coast Guard Sub-Stations. The PNCG is responsible for enforcing laws within Philippine waters and conducting maritime security operations. Other responsibilities include safeguarding life and property at sea and protecting marine environment and resources.

The Philippines Ports Authority (PPA) and the DoTr are key stakeholders of this study. Thus, close coordination with all departments will be required throughout the study. This is not the first time that the DoTr has worked with USTDA. In 2018, a Grant Agreement was signed between USTDA and the DoTr for a technical assistance program to two senior advisors to support the DoTr in its efforts to achieve the best value for money for upcoming transportation infrastructure procurements in the aviation sector. The advisors, to be selected by the DoTr from qualified U.S. firms, will provide strategic and technical procurement assistance to help the DoTr establish transparent and high-quality procurement practices, including the use of life-cycle cost analysis, to contribute to the sustainable development of the country's aviation infrastructure.

Implementation Financing

Implementation financing still must be determined. The total cost of implementation will depend on a number of factors, namely (i) the type and extent of sensor coverage that the PCG desires, which is typically a factor of the use of the port, the volume of traffic, and the complexity of the geography of the waterways and surrounding land masses; (ii) if support infrastructure such as buildings and energy connection is required; as well as (iii) if new institutional and operational financing structures are required. Ultimately, the number of ports that are included in the project will be determined by their individual costs and the fiscal capital available. Fiscal capital will likely be a combination of official development assistance (ODA) or Other Official Flows (OOF) from one or a combination of multilateral development banks (MDB), a bilateral organization, and a contribution of Government of Philippines co-financing. For example, major ports in the US where VTMS was implemented approximately 20 years ago capital costs are estimated at between $8 and $53 million adjusted for today's prices[3]. Based on industry knowledge, this would include US$2.7-4.5 million in hardware and software per port depending on the aforementioned key factors. Based on initial screening, a number of the ports identified by the PCG are less complex and vessel traffic demand is lower. Using the lower indicative cost for preliminary budgeting purposes as well as adding in the possibility of support infrastructure and soft elements results in a total project cost starting at approximately $200 million for all 18 ports. If this fiscal capital (or more) cannot be raised or if it is determined during the detailed site inspections that rehabilitation of some the port infrastructure is also necessary, the PCG will have to prioritize the available financing envelope.

While fiduciary arrangements will have to be explored further and final selection of ports will be made once the detailed cost of implementing the VTMS at each of the 18 pre-identified sites is determined, there are a number of clear sources of potential financing. Domestically, funding through

[3] Anderson, J.H., 1996. Testimony of John H. Anderson, Jr., Director, Transportation Issues, Resources, Community, and Economic Development Division of the General Accounting Office, before the Subcommittee on Transportation of the Committee on Appropriations, House of Representatives, Washington, D.C., March 7, 1996

the Government of the Philippines' "Build-Build-Build" program[4] is one such potential source. The program identifies construction and modernization of ports as a priority investment and at 2018 infrastructure forum, the DoTr, with representation from the PCG, presented a number of projects, including a number related to maritime transport. However, according to the official program portal, as of 2020, it appears that no port projects are receiving funding from the initiative. It is unclear if this is due to a lack of project applications or if the program is strategically moving away from maritime transport. Regardless of the current status of port projects, the program is a mechanism for delivering infrastructure investments along with co-financing from ODA sources, private sector funds, and other loans.

All potential financing arrangement options should be considered by the Grantee at this stage. Assuming the "Build, Build, Build" program or some other source of domestic financing is utilized, ODA in the form of bilateral assistance or through a multilateral institution will also likely need to be leveraged given the nature of a VTMS is not suitable for a public-private partnership financing arrangement (outsourcing of operations of the ports where the VTMS is implemented could be explored though).

U.S. Export Potential

There are different layers to a VTS. The objective of the layers or components is to provide timely, accurate information fed into an operating picture, which allows the VTS authority to make informed decisions. Each of the components has a potential U.S. Export opportunity. Depending on the sophistication of the VTS, there are more or less components. The following are listed in a simplistic form:

- Radar
- Camera
- AIS (Automatic Identification System)
- Voice
- RDF
- Weather

Each of the above (or all) is fed into an interface. Again, depending on the appetite and available investment envelope, this interface can have multiple branches, including the VTS authority operating in real time, or external users such as the Port Authority, Navy, and other divisions of the PCG.

Therefore, the cost and U.S Export potential depend on a number of variables. The variables can be expanded to include:

1. VTS Area or Area of Responsibility (AOR) – this impacts the number of sensors, VTS centers, and operators;
2. Complexity of the sensors or components (listed above) – similarly, this impacts the number and type of sensors, radars, transponders, and receivers;
3. Sophistication of the interface or software platform – whether the interface has multiple remote users or one single call-in center; and

[4] The Philippines' "Build, Build, Build" program is an approximately $180 billion six-year initiative of the current administration that finances high-impact infrastructure projects that are "envisioned to increase the productive capacity of the economy, create jobs, increase incomes, and strengthen the investment climate leading to sustained inclusive growth".

4. Establishment or existence of the VTS authority – depending on current physical presence, infrastructure such as buildings, access roads, alarm systems, office equipment, and computing hardware may be necessary.

Since the above-described variables are too expansive to quantify into one single cost without conducting detailed site evaluations, the following assumptions are made to quantify the potential cost of installing a VTMS in one single port/harbor location (i.e., no inter-channel or system connectivity). Although it is not a true or accurate method of cost estimating, this value can be multiplied by any number of unique sites to evaluate the potential required investment cost and U.S. export potential. A more accurate and cumulative budget will be developed during the feasibility study phase once sites for the initial operationalization of the VTMS are prioritized and detailed site evaluations are conducted.

Example Costs

Based on studies conducted in the US in the late 90s/early 2000s, the approximate cost of installing and implementing a VTS in 17 identified US port systems was $260 to $310 million (escalated to today's cost that would be $400 to $500 million) for total system design and procurement and $42 million ($70 million in 2020 costs) in annual operating expenses (Anderson, 1996[5]). Notably, annual operating costs (operations, maintenance, and personnel) were estimated at between $1 million ($1.6 million in 2020 costs) and $5M ($8.4 million in 2020 costs) depending on whether the VTS was privately, or Coast Guard operated, and the size of the port system. The equipment costs for individual ports were estimated to be in the range of $5 million ($8.4 million in 2020 costs) to $32 million ($53 million in 2020 costs). For comparison purposes, the implementation of VTS in Port of Rotterdam (one of the world's largest) was $180 million ($300 million in 2020 costs) in capital costs alone.

Based on limited information, it is speculated, as a comparison between the Philippines and the US (some 20 years previously), that the following costs of implementation of a VTS at a medium-sized Philippine port system (adjusted for inflation and exchange rate fluctuation), which include the 18 identified by the PCG, could apply:

- Capital implementation costs, including equipment- $10 million;
- Key hardware and infrastructure (see following subsection)- $2.7-4.5 million; and
- Annual operational costs- $1 million.

Integrated systems are unlikely to offer any cost savings given the isolated nature of the port locations in the Philippines.

A further cost example was provided by a software and systems supplier based in Canada. Based on a phased approach including installation of AIS, radars and cameras in Manila Bay; AIS, radar and CCTV in an additional five medium sized Philippine ports; the cost of implementation was estimated at $10 million, confirming the aforementioned estimate.

Based on preliminary assessments of the 18 ports and assumptions about system requirements, multiple industry experts confirmed that the VTS hardware demands would amount to

[5] Anderson, J.H. 1996 . Testimony of John H. Anderson, Jr., director, Transportation Issues, Resources, Community, and Economic Development Division of the General Accounting Office, before the Subcommittee on Transportation of the Committee on Appropriations, House of Representatives, Washington, D.C., March 7, 1996

approximately 25 to 40 percent of the equipment and related infrastructure costs. As previously mentioned, procurement of equipment and infrastructure was estimated to be between $2.7-4.5 million per port. Extrapolating these estimates for the 18 ports to be included in the Project, it is concluded that equipment and infrastructure costs can be expected to be in the range of $48.6-81 million.

Implementation Approach

Upon the completion of the technical assistance, the following steps are seen as the milestones to carry the Project concept to the implementation stage.

Table 2: Project Implementation Milestones

Action	Responsibility
Presenting the study findings to the Government of Philippines and other potential investors along with the study's recommendations on technical aspects of the Project, its financial viability, the needed commitments from the GoP, and consent from the GoP on those commitments. This is mainly to arrive at a consensus with the GoP that it meets their plans for the Project concept.	PCG, PPA, DoTr
Development of financing plan. This will start through sharing the Project's financial viability findings with potential financiers, along with the GoP's commitments, to secure financing from private and multi/bi-lateral lenders. This could initially include securing letters of support from such entities, and letters of intent from other private financiers. This could also entail some sort of "Road-Trip" to market the Project to potential private investors and obtain letters of intent and support from them.	PCG, PPA, DoTr
Entering into negotiations with potential financiers. This will include finalizing the implementation arrangements, draft contract, special issues (access, foreign exchange, investment promotion, etc.), and performance indicators, as well as obtaining final Government approvals.	PCG, PPA, DoTr
Finalizing the financing agreements to obtain final commitments and allocations from the various lenders/investors.	PCG, PPA, DoTr
Contract finalization, financial close and contract signing. This will also cover service delivery management, contract compliance measures, and relationship management between the partnering parties.	PCG, PPA, DoTr

Tendering likely through various lots.	PCG, PPA, DoTr
Selecting a Contractor(s) and commencing the work.	PCG, PPA, DoTr

Impact to the Environment

The project has not identified negative impacts on the environment associated with the implementation of a VTMS. By increasing safety of vessel traffic movements, the Project is expected to reduce marine traffic incidents that result in spills into the ocean. The Project mostly entails radar, surveillance, and ICT systems in areas that are already developed and equipped with transportation infrastructure. There are already some radar and surveillance applications in some of the Philippines port areas, and the proposed Project serves as an improvement and extension of such existing service and infrastructure.

The ToR of the study states that the Contractor shall prepare a preliminary environmental impact statement. The statement shall focus on scoping the potential impacts of the Project on (a) ecological resources, (b) cultural heritage sites and relics, (c) soil erosion, (d) noise and air quality, (e) potential accidents and spills of chemicals, and (f) other possible impacts. The Contractor shall also provide an opinion of whether or not the Project will require an Environmental Impact Assessment in accordance with the requirements of the Department of Environment and Natural Resources Environmental Management Bureau and in advanced consideration of requirements of the most likely sources of fiscal capital (e.g., World Bank and Asian Development Bank), whichever is most conservative.

Based on the Climate Resilience Screening conducted by the Definitional Mission Team, the scope of the task related to the environmental impact statement is enough, and there is no need for an in-depth analysis of the Project. The Matrix below summarizes the main findings of the Climate Resilience Screening.

APPENDIX 3

USTDA GRANT AGREEMENT, INCLUDING TERMS OF REFERENCE AND MANDATORY CONTRACT CLAUSES

U.S. TRADE AND DEVELOPMENT AGENCY

GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA"), and the Department of Transportation of the Republic of the Philippines (the "Grantee"). USTDA and the Grantee are each referred to herein as a "Party", and collectively as the "Parties". USTDA agrees to provide, directly to the Contractor (as defined below) on behalf of the Grantee, and subject to the terms and conditions of this Grant Agreement, nine hundred seventy-nine thousand two hundred seventy United States Dollars (US$ 979,270) ("Grant Funds") to fund the cost of services required in connection with the preparation of a feasibility study (the "Activity") related to the proposed development of an expanded vessel traffic management system ("VTMS") for the Philippine Coast Guard ("PCG") (the "Project") located in the Philippines (the "Host Country").

1. USTDA Grant Funding

The Grant Funds to be provided by USTDA under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm to be selected by the Grantee (the "Contractor") under which the Contractor will perform the Activity (the "Contract"). In no event will the amounts contributed by USTDA for the Activity exceed the amount of the Grant Funds.

2. Terms of Reference

The terms of reference for the Activity (the "Terms of Reference") are attached as Annex I to this Grant Agreement and will involve an assessment of the viability of potential VTMS implementation at eight to ten selected locations in the Philippines and the development of the technical architecture and infrastructure requirements for each location. The Grantee shall include as Annex I to the Contract the Terms of Reference substantially in the form attached hereto as Annex I. The Grantee acknowledges and agrees that upon the date of written approval of the Contract by USTDA (the "Contract Approval Date"), the Terms of Reference attached as Annex I to this Grant Agreement will cease to have any further force or effect, and Annex I to the Contract will become the operative Terms of Reference for all purposes in connection with the Activity, in each case, without the need for any further action or notice on the part of either Party.

The Grantee acknowledges and understands that the Contractor's performance of the Activity under the Contract must comply with the entirety of the Terms of Reference, and any modification of the Terms of Reference set forth in Annex I to the Contract or deviation from their terms must be approved in writing by USTDA in accordance with the procedures for amendments or other modifications under the Contract. The Grantee acknowledges and understands that (i) the Contractor will be paid in accordance with the payment schedule set forth in the Contract, and will not be eligible for payment in respect of work under the Terms of Reference set forth in the Contract that the Contractor fails to perform, and (ii) any performance by the Contractor of work not included in, not in compliance with or inconsistent with the Terms of Reference will be ineligible for approval or payment, absent an amendment or other modification in accordance with such procedures. Consequently, the Grantee shall not approve any Contractor work performed under the Contract that does not comply with or that otherwise is not in accordance with the Terms of Reference set forth in the Contract. The Grantee acknowledges and understands that any failure to obtain prior written approval from USTDA for any modifications or deviations from the Terms of Reference set forth in the Contract may result in forfeiture by the Contractor of payment for work performed that is not in compliance with the Terms of Reference and/or a significant delay in payment of the final Invoice (as defined below).

3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials and commercial entities in their respective countries. Therefore, USTDA and the Grantee shall fully comply with all United States and Host Country laws relating to corruption or bribery, and shall not directly or indirectly provide, offer or promise to provide money or anything of value to any public official in violation of any United States or Host Country laws relating to corruption or bribery.

4. Grantee Responsibilities

The Grantee shall use its best efforts to (a) promptly reply to notices and other communications, requests for information and requests for approvals of Invoices or other documents submitted to it by the Contractor or USTDA, (b) provide reasonable support for the Contractor, such as local transportation, office space and secretarial support, (c) provide relevant data and support for the Contractor to access relevant sites in the Philippines, and (d) promptly notify USTDA in the event that the Grantee (i) no longer seeks to pursue the Project or complete the Activity and/or (ii) would like to terminate this Grant Agreement or the Contract.

5. Contract Matters and USTDA's Rights as Financier

(A) Grantee Competitive Selection Procedures

Selection of the Contractor shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors, with advance notice of the procurement published online both on the USTDA website and on the SAM.gov website. Upon request, the Grantee shall submit these contracting procedures and related documents to USTDA for information and/or acceptance.

(B) USTDA's Right to Object to Contractor Selection

The Grantee shall notify USTDA at the address of record set forth in Article 15 below upon selection of the Contractor to perform the Activity. USTDA shall then review the Grantee's selection of Contractor, and if USTDA does not object to Grantee's selection, USTDA shall so notify the Grantee by issuing a "no objection" letter. Upon receipt of USTDA's "no objection" letter, the Grantee shall (i) notify in writing the selected Contractor that its proposal has been accepted by the Grantee, and (ii) notify in writing the U.S. firms that submitted unsuccessful proposals to perform the Activity that they were not selected. The Grantee shall then use commercially reasonable efforts to negotiate a Contract with the Contractor for the performance of the Activity.

(C) USTDA's Right to Approve Contract Between Grantee and Contractor

(1) Contract

USTDA will provide to the Grantee an electronic copy of USTDA's standard contract form, and the Grantee shall, in conjunction with the Contractor, utilize this standard contract form as the basis for drafting the Contract. Once the Contract has been negotiated between the Grantee and the Contractor, the Grantee shall transmit to USTDA (or shall request that the Contractor transmit to USTDA on the Grantee's behalf) a final negotiated draft version of the Contract in an editable electronic format for USTDA review at the email address set forth in Article 15 below. USTDA shall advise the Grantee and the Contractor as to whether the draft Contract is ready for execution, on the understanding that USTDA's approval may be contingent upon certain modifications being made to the Contract.

(2) Amendments and Assignments of the Contract

The Grantee acknowledges and understands that no amendment or other modification to the Contract (or any annex to the Contract) shall be valid unless formally agreed upon in a written instrument signed by the Grantee and the Contractor and approved by USTDA in a signed approval letter. The Grantee or the Contractor may submit any proposed amendment or other modification to the Contract, including any proposed amendment or other modification to any Contract annex, or any proposed assignment of the Contract, to USTDA for review and comment at the address set forth in Article 15 below.

(D) USTDA Not a Party to the Contract

The Parties understand and agree that USTDA as a financing entity reserves to itself certain rights under the Contract, including, but not limited to: (i) the right to approve the terms of the Contract and any amendments to the Contract, including assignments, the selection of the Contractor and all Subcontractors, the Terms of Reference, the Final Report, and any and all documents related to the Contract or any Subcontract funded under this Grant Agreement, (ii) the right to require the parties to the Contract to suspend performance of the Terms of Reference upon reasonable prior written notice to such parties, and, upon Contractor's receipt of such written notice, any further work performed in connection with the Terms of Reference will be at the Contractor's risk, (iii) the right to suspend disbursements of Grant Funds under Clause 3 of the Contract upon reasonable prior written notice to the parties to the Contract, and (iv) the right to demand, upon written notice to the Contractor, a refund from the Contractor of an appropriate amount of any Grant Funds that have been previously disbursed to the Contractor under Clause 3 of the Contract in the event that (a) the Contractor or any Subcontractor fails to comply in all material respects with the Terms of Reference or the terms and conditions of the Contract (including the Mandatory Contract Clauses attached to the Contract), or (b) the Contract and/or the Activity is terminated, and the amount of Grant Funds disbursed to the Contractor prior to such termination exceeds the value of the work performed under the Contract in accordance with its terms, as determined by USTDA in its sole discretion.

The Parties further understand and agree that USTDA, in reserving any or all of the foregoing rights, has acted solely as a financing entity to ensure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these rights will be made as a financier in the course of funding the Activity and will not be construed as making USTDA a party to the Contract. The Parties understand and agree that USTDA may, from time to time, exercise the foregoing rights, or discuss matters related to these rights and the Project with the parties to the Contract or any Subcontract, jointly or separately, without thereby incurring any responsibility or liability, in contract, tort or otherwise, to such parties. Any approval or failure to approve by USTDA will not bar the Grantee or USTDA from asserting any right that it might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

The Grantee shall not sue or join any action seeking compensation from, and shall not participate in and shall withdraw from any action seeking compensation from, the Government of the United States of America, or any of its departments or agencies, arising in connection with the Activity.

(E) Grant Agreement Controlling

In the event of any inconsistency or conflict between the terms of this Grant Agreement and the terms of the Contract or any Subcontract funded by this Grant Agreement, the terms of this Grant Agreement will control; provided, however, that for the avoidance of doubt, and in accordance with Article 2 and Article 9 of this Grant Agreement, amendments or other modifications to the Terms of Reference or the Mandatory Contract Clauses set forth in the Contract that occur on or after the Contract Approval Date will not create or be deemed an inconsistency with this Grant Agreement for purposes of this Article 5(E).

(F) Subcontractors and Subcontracts

For purposes of this Grant Agreement, (a) the term "Subcontractor" means any individual, corporation, partnership or other legal entity having a contract, purchase order or other agreement, whether written or oral, with the Contractor for the performance of any part of the Activity, and (b) the term "Subcontract" means any such contract, purchase order or other agreement entered into between the Contractor and a Subcontractor.

6. Disbursement Procedures

(A) USTDA Approval of Contract Required

USTDA will make disbursements of Grant Funds directly to the Contractor only after USTDA approves the Grantee's Contract with the Contractor.

(B) Contractor Invoice Requirements

For purposes of this Grant Agreement, the term "Invoice" means any invoice submitted (or to be submitted) to USTDA by either the Grantee or the Contractor for payment of Grant Funds. The Grantee shall not approve any Invoice submitted to it by the Contractor unless such Invoice, and all work performed by the Contractor (or any Subcontractor) in connection with such Invoice, complies with the Terms of Reference and the Mandatory Contract Clauses. Following review and approval by the Grantee of any Invoices submitted by the Contractor under the Contract, the Grantee may request disbursement of funds by USTDA to the Contractor for performance of the Activity by submitting such approved Invoices in accordance with the procedures set forth in the Mandatory Contract Clauses.

7. Effective Date

The effective date of this Grant Agreement (the "Effective Date") shall be the date of signature by both Parties or, if the Parties sign on different dates, the date of the last signature. In the event that only one signature is dated, such date shall constitute the Effective Date.

8. Activity Schedule

(A) Activity Completion Date

The Parties' estimated completion date for the Activity is set forth in Clause K(1) of the Mandatory Contract Clauses.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (i) no Grant Funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date, and (ii) no Grant Funds may be disbursed other than during the period set forth in Clause K(2) of the Mandatory Contract Clauses.

9. USTDA Mandatory Contract Clauses

The USTDA Mandatory Contract Clauses (the "Mandatory Contract Clauses") governing the Activity are attached as Annex II to this Grant Agreement. The Grantee shall include the Mandatory Contract Clauses as Annex II to the Contract. The Grantee acknowledges and agrees that upon the Contract Approval Date, the Mandatory Contract Clauses attached as Annex II to this Grant Agreement will cease to have any further force or effect, and Annex II to the Contract will become the operative Mandatory Contract Clauses for all purposes in connection with the Activity, in each case, without the need for any further action or notice on the part of either Party. The Grantee shall use commercially reasonable efforts to ensure that the Contractor complies with the Mandatory Contract Clauses in all material respects and shall promptly notify USTDA of any breach of the Mandatory Contract Clauses on the part of the Contractor of which the Grantee becomes aware.

10. Nationality, Source and Origin

For purposes of this Grant Agreement, the term "U.S. Firm" means:

(i) a private-sector for-profit legal entity or partnership that is formed, incorporated or organized in the U.S., with its principal place of business in the U.S., and which is:

(a) more than fifty percent (50%) owned or controlled by U.S. citizens and/or non-U.S. citizens lawfully admitted for work and/or permanent residence in the United States; or

(b) satisfies each of the following criteria:

(I) has been incorporated or organized in the U.S. for more than three (3) years prior to either (i) the date on which the initial proposal in respect of the Activity is received by USTDA, or (ii) the date on which the Contractor submits its bid in response to USTDA's request for proposals in connection with the Activity, as applicable;
(II) has performed similar services in the U.S. for that three (3) year period;
(III) employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and
(IV) has the existing capability in the U.S. to perform the work in question; or

(ii) a nonprofit organization that is incorporated in the U.S. and managed by a governing body, a majority of whose members are U.S. citizens and/or non-U.S. citizens lawfully admitted for work and/or permanent residence in the United States.

In addition, the term "Source" means the country from which a shipment is made, and the term "Origin" means (x) the place of production of a good, whether through manufacturing, assembly or otherwise, or (y) the place from which delivery of a service is administered, as applicable.

Except as USTDA may otherwise expressly agree in writing, the following provisions shall govern the delivery of goods and professional services funded by Grant Funds under this Grant Agreement:

(A) the Contractor and all Subcontractors that are legal entities must be U.S. Firms;

(B) all natural persons who perform any part of the Activity as the Contractor, as a Subcontractor, or as an employee of the Contractor or of any Subcontractor, in each case, must be (i) U.S. citizens, or (ii) non-U.S. citizens lawfully admitted for work and/or permanent residence in the United States;

(C) notwithstanding the provisions of Articles 10(A) and 10(B), up to twenty percent (20%) of the Grant Funds may be used to pay for work performed in connection with the Activity by:

(i) Subcontractors that are organized as legal entities under the laws of the Host Country; and

(ii) natural persons working as employees of the Contractor, as employees of any Host Country Subcontractor or as direct Subcontractors, in each case, who are either (a) citizens of the Host Country, or (b) non-Host Country citizens lawfully admitted for work and/or permanent residence in the Host Country;

(D) a Host Country Subcontractor may only be used for specific services from the Terms of Reference identified in the Subcontract;

(E) no part of the Grant Funds disbursed in connection with the performance of the Activity may be used to pay (i) any legal entity that is incorporated or organized under the laws of a jurisdiction other than one of the United States or the Host Country, or (ii) a natural person who is a citizen of a country other than the United States (except as expressly provided in Article 10(B)) or the Host Country; and

(F) goods purchased for the performance of the Activity and associated delivery services (*e.g.*, international transportation and insurance) must have their nationality, Source and Origin in the United States; provided, however, that goods and services incidental to Activity support (*e.g.*, local lodging, food and transportation) in the Host Country are not subject to the foregoing restrictions.

11. Taxes

The Grant Funds provided under this Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country, except for taxes of a *de minimis* nature imposed on local lodging, food, transportation or airport arrivals or departures or individual income taxes assessed on local Host Country staff ("Accepted Taxes"). The Grantee may not seek reimbursement from USTDA for any such taxes, tariffs, duties, fees or other levies, other than the Accepted Taxes, to the extent that the amounts of such Accepted Taxes are included on expense receipts maintained by the Contractor in accordance with Clause D of the Mandatory Contract Clauses.

12. USTDA Project Evaluation

The Parties shall cooperate to ensure that the purposes of this Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (the "Evaluation Period"), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project. Inquiries may include, but are not limited to, (a) whether the Final Report recommendations have been or will be used to implement the Project, (b) the anticipated Project implementation timeline, (c) the likely sources of financing for the Project, and (d) the sources of procurements supporting implementation of the Project. In addition, the Grantee agrees to notify USTDA any time the Grantee selects a new primary contact person for the Project during the Evaluation Period.

13. Grantee Recordkeeping and Audit

The Grantee agrees to maintain books, records and other documents relating to the Activity, the Contract and this Grant Agreement adequate to demonstrate implementation of its responsibilities under this Grant Agreement and the Contract, including the selection of the Contractor and Subcontractors, receipt and approval of Contract deliverables and approval or disapproval of Invoices for payment by USTDA. Such books, records and other documents shall be separately maintained for a period of three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review such books, records and other documents relating to the Activity, the Contract and this Grant Agreement.

14. Representation of Parties

For all purposes relevant to this Grant Agreement, the Government of the United States of America will be represented by the U.S. Ambassador to the Host Country or USTDA, and the Grantee will be represented by its Secretary at the address of record set forth in Article 15 below. The Parties may, by written notice to the other Party, designate additional representatives for all purposes under this Grant Agreement.

15. Addresses of Record for Parties

Any notice, request, document or other communication submitted by either Party to the other under this Grant Agreement shall be in writing or sent through an electronic medium that produces a tangible record of the transmission, such as an email message, and will be deemed duly given or sent when delivered to such Party at the following address of record, as applicable:

(A) For the Grantee:

To:	Jaime J. Bautista
Title:	Secretary of Transportation Department of Transportation
Address:	Primex Tower Edsa Corner, Connecticut, San Juan, Mandaluyong City
Phone:	0920 964 – DOTr (3687)
Email:	osec@dotr.gov.ph

(B) For USTDA:

To:	U.S. Trade and Development Agency
Address:	1101 Wilson Boulevard, Suite 1100 Arlington, VA 22209-2275 USA
Phone:	(703) 875-4357
Email:	IndoPacific@ustda.gov

All such communications shall be in the English language, unless the Parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial or Economic Section of the U.S. Embassy in the Host Country with a copy of each notice, request, document or other communication sent to USTDA.

Any communication relating to this Grant Agreement shall include the following fiscal data:

Appropriation No.:	11 23/24 1001
Activity No.:	2023-31005A
Reservation No.:	2023031
Grant No.:	1131PL23GH31031

16. Implementation Letters

To assist the Grantee and the Contractor in the efficient performance of the Activity, USTDA may from time to time issue one or more implementation letters ("Implementation Letters") to provide additional, modified or updated information about matters covered by this Grant Agreement and/or to make modifications or clarifications to the terms and provisions herein (any such information or modification, as applicable, a "Change"). Without limiting the generality of the foregoing, USTDA may issue Implementation Letters containing one or more Changes, among other reasons, to: (a) extend the estimated completion date set forth in Clause K(1) in Annex II, (b) extend the availability period of Grant Funds set forth in Clause K(2) in Annex II, (c) update the fiscal data set forth in Article 15, (d) update a Party's address of record or point of contact, (e) make modifications or clarifications to the Terms of Reference, (f) grant conditional waivers pursuant to Article 19, and (g) correct scrivener's errors. Notwithstanding the provisions of Article 17, upon receipt of an Implementation Letter from USTDA, if and to the extent the Grantee assents to the Change set forth in such Implementation Letter, the Grantee shall promptly notify USTDA of such assent by email in accordance with Article 15, and such Change will be deemed incorporated into the terms and provisions of this Grant Agreement without the need for any further action by either Party. The Parties may also use jointly agreed upon Implementation Letters, executed by each Party, to confirm, clarify, modify and/or record their mutual understanding of matters covered by this Grant Agreement.

17. Amendment; Assignment; Binding Effect; Change of Control

(1) Either Party may submit to the other Party at any time a proposed amendment to this Grant Agreement (including Annex I and Annex II). Any proposed amendment to this Grant Agreement will be effective only if it has been signed by both Parties. Any proposed assignment of this Grant Agreement must be approved by both Parties in writing in order to be effective. This Grant Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns permitted under this Article 17.

(2) For purposes of this Grant Agreement, the term "Change of Control" means the occurrence of any one or more of the following: (i) the accumulation, whether directly, indirectly, beneficially or of record, by any person, legal entity or group, of fifty percent (50%) or more of the shares of the outstanding equity securities of the Grantee, (ii) a merger, consolidation or reorganization of

the Grantee in which the Grantee does not survive as an independent legal entity or upon the consummation of which the holders of the Grantee's outstanding equity ownership interests prior to such merger, consolidation or reorganization own less than 50% of the outstanding equity ownership interests of the Grantee after such merger, consolidation or reorganization, or (iii) a sale of all or substantially all of the assets of the Grantee. The Grantee shall provide USTDA with written notice of any anticipated Change of Control of the Grantee prior to the effective date of such Change of Control, which notice must identify (i) the person(s) and/or legal entity (or entities) that are gaining control or ownership over the Grantee, and (ii) the person(s) and/or legal entity (or entities) that are losing control or ownership over the Grantee. The Grantee acknowledges and agrees that, in order for the Activity to continue following any Change of Control, any legal entity (or entities) that are gaining control or ownership over the Grantee must satisfy USTDA's due diligence guidelines.

18. Termination

(A) Termination Events

Either Party may terminate this Grant Agreement at any time by giving the other Party prior written notice thereof. Notwithstanding the foregoing provision, if the U.S. Office of Foreign Assets Control determines that either of the Grantee or the government of the Host Country has acted in violation of any sanctions laws or executive orders established by the United States Government, this Grant Agreement will terminate five (5) business days following such determination without the need for any further action or notice on the part of either Party unless USTDA delivers written notice prior to the expiration of such five (5) business day period to the Grantee that this Grant Agreement will remain in full force and effect. If the Grantee becomes aware of any such violation or determination, the Grantee shall notify USTDA in writing within one (1) business day thereafter.

(B) Effect of Termination

The termination of this Grant Agreement will end any obligations of the Parties to provide financial or other resources for the Activity (including, without limitation, any obligation of USTDA to provide the Grant Funds), except for payments that may be made by USTDA to the Contractor, if any, pursuant to Clause H of the Mandatory Contract Clauses set forth in Annex II to this Grant Agreement. This Article and Articles 5, 11, 12, 13, and 20 of this Grant Agreement shall survive termination of this Grant Agreement.

19. Waiver

No obligation, condition or other provision of this Grant Agreement may be modified, waived or discharged unless such modification, waiver or discharge (collectively, a "Waiver") is agreed to in writing and signed by the Party entitled to enforce such obligation, condition or other provision. Any such Waiver will be effective only to the extent expressly specified therein. No Waiver by either Party of any breach of, or of compliance with, any condition or provision of this Grant Agreement by the other Party will be considered a Waiver of any other condition or provision or a Waiver of the same condition or provision at another time. The rights and remedies of the Parties under this Grant Agreement are (a) not limited to the rights and remedies expressly set forth in this Grant Agreement and are in addition to all other rights and remedies available to the Parties under applicable law, and (b) not exclusive and may be exercised without precluding the future exercise by a Party of any other such rights and remedies. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Grant Agreement will operate as a Waiver of such right, power or privilege.

20. U.S. Technology and Equipment

By funding the Activity, USTDA seeks to promote the Project objectives of the Host Country through the use of U.S. technology, goods and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.

21. Governing Law

This Grant Agreement is governed by, and construed in accordance with, the applicable laws of the United States of America. In the absence of applicable federal law, the laws of the State of New York shall apply, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of another jurisdiction.

22. Counterparts; Language

This Grant Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Grant Agreement. Counterparts may be delivered via email or other transmission method and any counterpart so delivered shall be deemed to be valid and effective for all purposes. This Grant Agreement may be executed in two or more languages, but in the event of any conflict or inconsistency between the English language version of this Grant Agreement and any other version, the English language version of this Grant Agreement will control.

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IN WITNESS WHEREOF, by signing below, each of the signatories hereby certifies that it is a duly authorized representative of the applicable Party, and the Parties, each acting through its duly authorized representative, have caused this Grant Agreement to be signed in their names and delivered as of the date written below.

For the Government of the United States of America:

Enoh T. Ebong

By: Enoh T. Ebong

Title: Director

Date: November 6, 2023

For the Department of Transportation of the Republic of the Philippines:

Bautista

By: JAIME J. BAUTISTA

Title: Secretary of Transportation
Department of Transportation

Date: DOTr-OSEC SJJB 23-003469
27 OCT 2023

Annex I – Terms of Reference

Annex II – USTDA Mandatory Contract Clauses

<u>Annex I</u>

Terms of Reference

These terms of reference ("Terms of Reference" or "TOR") in this Annex I set forth the terms, conditions, provisions and specifications for the performance of the feasibility study (the "Activity") for the benefit of the Department of Transportation of the Republic of the Philippines (the "Client") related to the proposed development of an expanded vessel traffic management system ("VTMS") for the Philippine Coast Guard ("PCG") (the "Project") located in the Philippines (the "Host Country"). ________________________ (the "Contractor") shall perform the Activity in accordance with these Terms of Reference and the other terms and provisions of this Contract between the Contractor and the Client.

The Contractor's performance of the Activity must comply with the entirety of these Terms of Reference, and any modification of or deviation from these Terms of Reference must be approved in writing by USTDA in accordance with the procedures for amendments or other modifications under this Contract. The Contractor acknowledges and agrees that (i) the Contractor will be paid in accordance with the payment schedule set forth in this Contract and will not be eligible for payment in respect of work under these Terms of Reference that the Contractor fails to perform, (ii) any performance by the Contractor of work not included in, not in compliance with or inconsistent with these Terms of Reference will be ineligible for approval or payment, absent an amendment or other modification in accordance with such procedures, and (iii) failure to obtain prior written approval from USTDA for any amendment to, modification of or deviation from these Terms of Reference may result in forfeiture of payment for work performed that is not in compliance with these Terms of Reference and/or a significant delay in payment of the final invoice (the foregoing subclauses (i) through (iii) collectively, the "Performance Requirements"). As used in these Terms of Reference, the word "include" along with its variants (*e.g.*, "included", "including") will be interpreted to mean "include, without limitation" or equivalent expression.

All data collected, designs made, analyses produced and/or other work completed by the Contractor in the performance of each task ("Task") and subtask ("Subtask") under these Terms of Reference must be documented by the Contractor in written reports in order to constitute a deliverable ("Deliverable"), as further described below under each Task and Subtask, as applicable. The Contractor shall use its best efforts to verify any information provided by the Client. The Contractor shall include each such Deliverable as a stand-alone chapter in the Final Report (as defined below).

The Contractor shall provide the Client and PCG with a draft version of the Deliverable for Tasks 1-15 for the Client's review and comment. The Client shall provide comments, if any, on such draft Deliverable within fourteen (14) calendar days following receipt of such Deliverable. The Contractor shall incorporate the Client's comments, to the extent possible, and issue a final Deliverable in connection with such Task within fourteen (14) calendar days following receipt of the Client's comments. By submitting the Deliverable for a given Task to the Client, the Contractor acknowledges to USTDA that it has read and understood the Performance Requirements.

Any meetings or other actions or work set forth under these Terms of Reference that are indicated to occur in-person, on-site or otherwise in a specified location may, if agreed by both the Client and the Contractor (and with advance notice to and written agreement from USTDA), be conducted remotely, including online, by teleconference, by videoconference or by other means; provided, however, that the Contractor shall clearly document in the corresponding Deliverable the date on which such agreement was reached and approved by USTDA, and shall describe the alternative means of accomplishing the relevant work, along with the rationale for such decision. Further, if the Client and the Contractor propose to apply such a change only to part of any Task or Subtask (*i.e.*, to change portions of a Task or Subtask from in-person work to a remote work, while maintaining other portions of such Task or Subtask as in-person work, including the division of a Task or Subtask into multiple Tasks or Subtasks in order to separate remote work from in-person work), then: (i) the Client and/or the Contractor shall notify USTDA in advance of such a proposal, and USTDA may, in its sole discretion, approve of such proposal and formalize the proposed modification through an Implementation Letter (as defined in Clause B(3)) to this Contract, and (ii) USTDA may, in its sole discretion, modify the payment schedule under Clause 3 of this Contract in order to separate such remote and in-person work into separate payments and reflect such modification of Tasks and Subtasks, as applicable, through an Implementation Letter to this Contract. Notwithstanding the foregoing under this paragraph, USTDA reserves the right to make any appropriate adjustments to the total amount of Grant Funds (and therefore the value of the payments made by USTDA pursuant to the Contract) that may result from any such modifications.

Purpose and Objectives

The objective of the Activity is to assess the technical and financial viability of implementing a VTMS at selected sites in the Philippines. The scope of work includes screening and prioritization of ten (10) pre-identified sites, detailed investigation of the confirmed list of priority facilities, and general design of the VTMS architecture and technical specifications at eight to ten selected locations. The Activity also includes an assessment of financial implications, evaluation of capacity requirements, preparation of tender documents and an implementation plan, preliminary review of environmental and social impacts, and analyses of U.S. sources of supply and development impacts.

Task 1: Project Initiation and Kick-off

The Contractor shall meet with the Client, the PCG, and other key stakeholders to discuss the basis for the Project, its scope and objectives, as well as the expected roles and responsibilities of the various parties, including facilitation of access to the identified port facilities and channel/harbor areas. The outcome of this meeting shall be documented in formal meeting minutes to be signed by all participants. Other key stakeholders should be defined and include, at minimum, the Philippine Ports Authority ("PPA"), Department of Environment and Natural Resources ("DENR"), Bureau of Fisheries and Aquatic Resources ("BFAR"), and the National Coast Watch Center ("NCWC").

In addition, the Contractor shall hold a meeting with the PCG and the PPA to discuss the current institutional arrangements, data sharing procedures and protocols, as well as who will be the competent authority for the operation of an integrated VTMS, noting that both the PCG and the PPA currently operate unique Vessel Traffic Services ("VTS") in ports in the Philippines.

The Contractor shall work with the PCG to identify and obtain all relevant available reports and studies that have been performed on the various ports that interest the stakeholders (see Task 2 for list of sites). Such information may include but is not necessarily limited to:

- Available port masterplans for the identified ports (see Task 2);
- All required site access permits, including letters granting access and cooperation of the port and PCG personnel for members of the Contractor's team;
- Architecture and specifications for all existing navigational systems used by port operators in the Philippines;
- Traffic statistics for the ports of interest, total number of vessels, movements per year, number of vessels by type, and number of vessels by cargo for the past ten years to establish statistically sound growth rate patterns (to the extent available);
- Statistics on vessel-related incidents and their classifications (to the extent available);
- Statistics on search and rescue operations undertaken by the PCG in the past five years (to the extent possible);
- Statistics on environmental violations in the past five years (to the extent available);
- Published nautical charts and notices to mariners;
- Other maps and site plans;
- Data and specifications on existing navigation aids;
- Inventory, data, specifications, and equipment descriptions of existing VTMS;
- Management structures of relevant ports and related entities;
- Utilities and electric power data and available capacity dedicated to the various port areas;
- Any previous studies, reports, and proposals to upgrade VTMS and security or surveillance systems;
- Land ownership documents where the towers and sensors may be located;
- Licensing for reception and transmission of very high frequency (VHF) signals and data; and
- Any other relevant information or references identified by the Contractor while reviewing the above.

The Contractor shall also collect additional information and available studies through desktop research. The Contractor shall then compile a database of all previous efforts and relevant information both provided by the PCG and from the Contractor's own efforts to prepare a work plan (the "Work Plan") for the subsequent Tasks. At the end of this Task, the Contractor shall prepare an inception report (the "Inception Report") that includes the Work Plan to be followed to meet the Tasks defined in the TOR. The Inception Report shall include a gap analysis of additional data requirements and the implications of not receiving the identified data during the study period. At a minimum, the Work Plan shall include the following:

- Overview of all Activity actions;
- Communications strategy and outline of continuing Deliverables;
- Methodology for delivering the Tasks outlined in this TOR with Activity milestones;
- Specific Deliverables for each Task;
- Overall Activity schedule;

- Methodology for tracking schedule and budget for the duration of the Activity;
- Methodology for gathering additional required information;
- Quality control plan describing the quality control process to be used; and
- List of key stakeholders to be contacted.

Task 1 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Meeting minutes for the Project kickoff meeting;
- Records of discussions with PCG and key stakeholders; and
- Inception Report, containing the Work Plan, data gathered, and gap analysis.

Task 2: Preliminary Assessment of Existing VTMS Center, Proposed Sites, and Prioritization of Ports

The PCG has pre-identified ten (10) potential sites in the Philippines that will serve as the basis for the preliminary assessment conducted in Task 2. These locations are listed below:

1. **Coast Guard District Southern Tagalog**
   Proposed Name: VTMS CABRA
   Location: Brgy. Cabra, Cabra Island, Lubang, Occidental Mindoro

2. **Coast Guard District Eastern Visayas**
   Proposed Name: VTMS ALLEN
   Location: Allen, Northern Samar

3. **Coast Guard District Palawan**
   Proposed Name: VTMS BALABAC
   Location: Melville, Balabac Island, Palawan

4. **Coast Guard District Bangsamoro Autonomous Region in Muslim Mindanao**
   Proposed Name: VTMS LAMITAN
   Location: Lagasan, Brgy. Kulaybato Lamitan City, Basilan

5. **Coast Guard District Western Visayas**
   Proposed Name: VTMS ILOILO
   Location: Fort San Pedro, Brgy. Concepcion, Iloilo City

6. **Coast Guard District Southern Mindanao**
   Proposed Name: VTMS SARANGGANI
   Location: Kamanga, Maasim, Sarangani Province

7. **Coast Guard District Northwestern Luzon**
   Proposed Name: VTMS BURGOS
   Location: Brgy. Bayog, Burgos, Ilocos Norte

8. **Coast Guard District Northwestern Luzon**
   Proposed Name: VTMS PORO POINT
   Location: Brgy. Poro, City of San Fernando, La Union

9. **Coast Guard District Northeastern Mindanao**
   Proposed Name: VTMS HAYANGGABON
   Location: Hayanggabon, Claver, Surigao Del Norte

10. **Coast Guard District Northeastern Mindanao**
    Proposed Name: VTMS DINAGAT
    Location: Brgy. Santa Cruz, Tubajon, Dinagat Islands

The Contractor, in collaboration with the PCG, shall identify similarities between the ten (10) listed sites with the objective to group them. The Contractor shall determine a methodology for grouping the sites by identifying grouping metrics, such as, but not limited to:

- Location;
- Coastal, estuary, or up-river;
- Single or multi-facility;
- Commercial use only, recreational use only, combination;
- Primary vessel types (commercial only, passenger, fishing, recreation, combination, etc.); and
- Existing PCG presence and overview of facility availability.

To the extent possible (i.e., based on digital or written data availability), the Contractor shall use either domestic vessel traffic and accident/incident data, as well as quantified search and rescue, environmental violation information, and/or global systems (e.g., online services such as Marine Traffic, VesselFinder, Vesseltracker, etc.) to map densities (traffic, accident/incident, and environmental violations) at each of the ten (10) ports. Based on the data collected, the Contractor shall conduct a mapping exercise and generate heat maps for all locations with usable data.

The Contractor shall then develop a quantitative prioritization scheme with the aim of categorizing the ports as 'high priority,' 'medium priority,' or 'low priority.' Categories for the prioritization scheme may include the following: (i) daily/weekly/monthly vessel traffic; (ii) daily/weekly/monthly passengers processed; (iii) daily/weekly/monthly tons of cargo processed; (iv) annual search and rescue operations within a potential catchment or coverage area of the port; (v) annual environmental incidents/violations within a potential catchment or coverage area of the port; and (vi) quality of any existing PCG facilities (scored on a scale of 0 through 10). For the purposes of analyzing vessel traffic, passengers, and cargo, the Contractor shall select the best frequency based on data availability and professional judgement. For radar catchment/coverage areas, the Contractor shall consult with the PCG to determine its needs for each of the ten (10) locations. In addition, the Contractor may choose to add weights for each of the prioritization metrics based on professional judgement and in consultation with the PCG. Ultimately, the Contractor, in consultation with the Client and PCG, shall identify a minimum of eight but no more than ten sites that merit further detailed study.

If for any reason the Contractor and PCG, in consultation with the Client, determine that a port or location outside of the pre-determined list of ten sites above shall be considered, the Contractor shall provide sufficient qualitative and quantitative justification for the selection, using the prioritization scheme developed by the Contractor as a basis.

In addition, the Contractor shall conduct a preliminary assessment of the existing PCG VTMS center. This evaluation shall include an inventory of existing equipment, specifications, inspection of working conditions and performance of equipment in operation, as well as data generated by the center. Further, the Contractor shall visit and assess the performance of the PCG's existing VTMS at Cebu and, to the extent possible, other VTMS operated by the PPA, such as the VTMS at the Port of Manila. The objectives of all visits and assessments are to establish a working list of strengths and weaknesses of the existing systems on a per port and nationwide basis and to determine where improvements could be made at a management systems level.

The Contractor shall also investigate any existing inter-governmental data sharing arrangements relevant to VTMS. This shall include government agencies that could, in theory, benefit from VTMS data generated and managed by the PCG. Throughout this assessment, the Contractor shall determine what is needed at a technical level on both the part of the PCG and the recipient of any data shared. Further, the Contractor shall make recommendations on 'soft' elements related to data sharing, such as data sharing agreements, inter-agency management of data, potential working groups, etc. Finally, the Contractor shall provide any available data sharing agreements that could be considered international best practice.

Based on the analysis conducted in Task 2, including the heat maps developed, the Contractor shall determine the preliminary coverage area, data, needs vis-à-vis enabling inter-agency data sharing, and security requirements for each of the eight to ten priority ports selected for further detailed study. In addition, the Contractor shall take into consideration strengths and weaknesses identified through the assessment of existing systems and structures throughout future Tasks in an effort to optimize existing and proposed VTMS operations and management performance.

Task 2 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Data mapping of all ten (10) listed sites;

- Quantitative and qualitative explanation of port prioritization scheme with scoring for all ten (10) sites;
- Preliminary confirmation of coverage area, data, and security requirements for the list of eight to ten sites to be included in the Detailed Site Assessment (Task 3);
- Recommendations on enabling both the 'soft' elements and technical aspects of inter-agency data sharing, including one or more data sharing agreement templates; and
- A standalone analysis report on existing VTMS performance related to data collection, management, and use, as well as operations and management systems.

Task 3: Detailed Site Assessment

For the eight to ten sites selected and confirmed under Task 2, the Contractor shall conduct detailed site assessments for each (each a "Detailed Site Assessment").

The Contractor shall coordinate with the PCG to conduct site visits to the sites selected in Task 2. The PCG shall provide coordination assistance in the form of advance letters and back-office support to gain access to the sites/surrounding areas as necessary. The objectives of the site visits are to familiarize the Contractor with the existing port and waterway systems and to meet representative entities involved in the operation and regulation of port terminal and coastal activities.

Prior to conducting detailed site assessments, the Contractor shall present a standardized survey form outlining all of the information and data to be collected/recorded at each site to the PCG. Guided by industry standards and its own professional judgement, the Contractor shall gather as much information as necessary to inform the Detailed Site Assessments as related to implementation of a VTMS, including, but not limited to:

Data Type	**Details**
Marine Traffic and Navigation	• Marine traffic movements from Automatic Identification System (AIS), existing VTS, maritime piloting records, Port Authority records, and/or terminal operator logs • Marine incident and accident statistics and reports to identify frequency, type, vessels involved, and main causes for accidents • Existing navigational features, such as traffic separation schemes, call-in locations, anchorages, pilot boarding stations, etc. • Location, type, and condition of existing aids to navigation
Operational Conditions	• The operational organization of the port, including the various entities involved in the operational aspects of the port. At a minimum, this shall include the entities responsible for safety, administration, pilot service provision, terminal operations provision, port services provision, and principle port customers.

Radar Coverage	• Previous assessments, studies, reports, and proposals to upgrade the VTMS and communications systems in selected sites, if any • Options for the relocation of the existing coastal communications station • General topography and lay of the land within the port for radar positioning and auxiliary equipment needed to provide coverage, noting access requirements and security
Facility Assessment	• Existing PCG buildings (if any), electric power sources, and telecommunications connections • Potential for new PCG buildings to house competent authority facilities (software, computer systems, etc.)

The Contractor shall take extensive notes and video (if permitted) of existing facilities as well as collect additional information in the form of records, reports, and data on marine traffic, navigation, operational conditions, and radar coverage. The Contractor shall also consider how the connectivity between future VTMS at unique sites may connect to other facilities within the Philippine network and jurisdiction of the PCG.

Based on these detailed site assessments, the Contractor shall determine the preliminary design elements and costs of VTMS implementation at the identified locations, including initial equipment quantities, preliminary measurements, estimates of support infrastructure needed, and locations to meet the requirements for coverage identified by the PCG. It is anticipated that the Contractor shall consider vessel traffic volumes, complexity of the geography, and other factors determined to be relevant in determining equipment (e.g., types and general specifications for radars, cameras, servers, security, etc.) and installation (e.g., locations sizes/heights, wiring, housing requirements, etc.) demands required to lay out the VTMS in the design and implementation phases.

Task 3 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Records of site visits, including dates, visual media, record of discussions and meetings, inspection notes, etc.; and
- Detailed Site Assessment report (draft and final), detailing the information gathered and the specificities for sites, including initial equipment quantities, preliminary measurements, estimated support infrastructure needed, and locations to meet the requirements for coverage identified by the PCG.

Task 4: Design of VTMS Architecture, Requirements, and General Technical Specifications

Based on the findings of the previous Tasks, including Detailed Site Assessments as well as evaluations of strengths and weaknesses of existing operations and management systems, the Contractor shall develop a conceptual design and prepare a proposal for a VTMS for the eight to ten selected sites detailing the architecture and requirements needed to meet the future plans of the PCG. This shall include further defining required areas of coverage, specifying requirements for operation, and developing cost estimates. Further, the Contractor shall prepare a development plan for the improvement of the existing VTMS center at Cebu.

The Contractor shall present this proposal to the Client and PCG at a two-day in-person workshop meeting that incorporates the various stakeholders detailed in Task 1, as deemed appropriate by the Contractor, the Client and PCG. The purpose of this workshop is to discuss and finalize the overall scope of the proposed system before proceeding to developing the detailed technical specifications as presented in Task 6. The workshop shall be hosted by the PCG, which will be responsible for issuing all the invitations to the various participants. The outcome of this workshop shall be documented in formal meeting minutes.

Task 4 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Conceptual design of the VTMS for each of the eight to ten selected sites;
- A development plan for the improvement of the existing/future VTMS center;
- Conceptual costs for the implementation of the VTMS for each of the eight to ten sites; and
- Proceedings of the workshop, including meeting minutes, presentations, and any recommendations or outcomes.

Task 5: Financial and Technical Analysis

The Contractor shall conduct a financial and technical analysis of the entire Project (i.e., design and implementation of a VTMS for the eight to ten selected sites). The analysis shall include: (i) full costs of equipment; (ii) construction (if needed); (iii) costs of operations; (iv) financial impact of the reduction in accidents, incidents, and pollution; (v) effects of the system on vessel approach, departure, and turnaround times due to a controlled spacing attributed to the VTMS; and (vi) general improved operational efficiencies.

The Contractor's analysis for this Task shall include the following:

- Quantify losses of the existing conditions (in terms of accidents, environmental incidents, lack of communication, etc.) into their monetary value, and quantify benefits gained by overcoming such costs through the implementation of a VTMS;

- Assess and prepare financial projections for the Project including a balance sheet, income statement, and cash flow statement in nominal terms covering a period of five, ten, and twenty years. Assumptions made in the financial statements shall be explained in detail. Financial projections shall take into consideration the likely effects of inflation and the potential for exchange rate fluctuations;
- Conduct a financial evaluation for the Project over the construction and operation period by calculating the Financial Internal Rate of Return ("FIRR") and compare it with weighted average cost of capital ("WACC"). The FIRR and WACC shall be computed using constant 2023 prices. The cost estimates and financial projections in nominal terms shall be converted to real terms by removing the projected effects of foreign and domestic inflation and currency fluctuations. Incremental costs and benefits should be derived from evaluating the financial position under a with-Project and without-Project scenario. This evaluation shall cover the three time periods of five, ten, and twenty years mentioned above;
- Identify risk factors (e.g., traffic forecasting scenarios), test the sensitivity of the Project to them, and propose mitigation measures. Undertake sensitivity analysis by varying charges, costs (e.g., port tariffs), implementation delay, and combinations of these factors. Switching values for these factors, excluding implementation delay, shall also be calculated. The Contractor shall review the sensitivity of the financial viability of the Project to future exchange rate movements; and
- Identify and assess the most appropriate sources of financing for the Project to include government, loans/credits from multilateral development banks (e.g., World Bank, Asian Development Bank, etc.) and bilateral agencies (e.g., the Export-Import Bank of the United States, U.S. International Development Finance Corporation, etc.), potential revenue collected from vessel operators (including revenue streams from vessel tariffs, rental of space to retailers, etc.), and any other revenue/financing sources the Contractor deems relevant.

Financial analysis shall be conducted on a per site and a cumulative Project (i.e., all eight to ten ports) basis.

Task 5 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, *(iii)* electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- The assumptions made on the various components of the financial model;
- The inputs used to run the financial model;
- The traceable results of the financial model, including key financial indicators on a per site and cumulative Project basis; and
- Descriptions of the potential sources of financing and revenue streams for the implementation of the Project.

Task 6: Design of Detailed VTMS Technical Specifications

Based on the financial feasibility analyses and using the finalized VTMS scope agreed upon by the various stakeholders as described above, the Contractor shall develop technical specifications for the supply and installation of a VTMS for the identified eight to ten sites, including the components and civil works. The Contractor shall provide details of the components recommended including, but not limited to, equipment, hardware, software, civil works (if new buildings, radar tower structures, security fencing, etc. are required), acceptance testing, operational staffing and training, as well as security and surveillance.

Task 6 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Detailed technical specifications for the various VTMS components;
- Detailed description on the needed civil works for the implementation of the system; and
- Details on the required acceptance testing and training needs for the operators.

Task 7: Economic Modelling and Analysis

The Contractor shall use an "off the shelf" or proprietary software, or any other modeling tool acceptable to the PCG, to carry out economic analysis for the projects. The economic modeling and analysis shall compare the alternatives in terms of whether the benefits are commensurate with the costs. The Contractor shall consider the availability of financing for construction, operation and maintenance ("O&M"), and equity.

The Contractor shall assess all economic benefits and costs, as well as conduct the analysis of cost-effectiveness and immeasurable benefits, externalities, international effects, and indirect benefits of the Project. Results of the analysis shall include common indicators of economic efficiency of the Project, such as life-cycle costs analysis using an economic net present value ("ENPV") approach and economic internal rate of return ("EIRR"). Based on the accepted design, the Contractor shall calculate the economic indicators over the course of the Project's life cycle, considering the implementation of sectoral as well as PCG, PPA, or other relevant government development programs.

Economic analysis shall be conducted on a per site and a cumulative Project (i.e., all eight to ten ports) basis. Ultimately, the Contractor shall provide socioeconomic analysis of scenarios "with Project" and "without Project" with indicators for at commencement of service plus five, ten, and twenty years.

Task 7 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Details on the economic model applied to the Project, including methodological approach and key assumptions made;
- Analysis of all economic benefits and costs over the life-cycle of the Project; and
- Socioeconomic analysis of "with" and "without" Project over a stepped period of time starting with commencement of services, including Project ENPV, EIRR, and other parameters as agreed with the Client and PCG on a per site and cumulative Project basis.

Task 8: Preliminary Environmental and Social Impact Assessment

Subtask 8.1: Environmental Impact Assessment

The Contractor shall evaluate the potential environmental impacts of implementing the VTMS at the eight to ten selected locations. Since the environmental footprint may be significantly different at each site, the Contractor shall conduct an environmental scoping exercise first and document whether or not a more detailed study or Environmental Impact Assessment ("EIA") may be mandatory under the requirements of the DENR, Environmental Management Bureau, and/or in compliance with the most likely future financial lending institutions (e.g., World Bank, Asian Development Bank, etc.), whichever is more conservative.

The environmental scoping shall consider the potential impact on (a) ecological resources, (b) land use and topography, (c) water quality, (d) soil erosion, (e) noise and air quality, (f) traffic, (g) potential accidents and chemical spills, and (h) other possible impacts. Based on the Contractor's understanding of the Philippine Environmental Impact Assessment Guidelines and requirements of potential financial sources, the Contractor shall provide an opinion of whether an EIA may be required at any of the high priority VTMS sites, noting that the owner will be the PCG. If it is determined that an EIA is pertinent, the Contractor shall draft a terms of reference for its delivery.

Subtask 8.2: Social Impact Assessment

The Contractor shall assess all sociological aspects of the people within the Project's impacted area (i.e., areas where new construction of facilities or installation of equipment may be rendered that impact any local communities), including communal norms and customs, as well as cultural heritage, religious, and historical sites at the eight to ten selected locations. Further, the assessment shall consider all demographic characteristics of the population, including those related to gender, age, life expectancy, any indigenous peoples, the elderly, and members of the community with disabilities. The social assessment shall provide a breakdown of demographic indicators related to the population's standard of living, including factors such as income range of the population, level of employment, value of household assets, estimation on level of common communicable diseases, as well as potential impact on community education efforts related to skills training and daily life. The Contractor shall also evaluate interaction between neighboring communities and identify any points of conflict.

In addition, the Contractor shall assess the Project's need for labor resources, including the availability of qualified local personnel. Based on the outcome of this aspect of the evaluation, the Contractor shall develop recommendations for training programs for workers and specialists that could potentially contribute to various aspects of Project implementation and service. Recommendations shall be organized by Task, skills needed, likely labor demand, and labor availability, as well as potential training programs for skills uptake.

If it is determined that land is needed to construct new PCG facilities, including offices for the local competent authority, radar towers, or additional space for fencing or other security demands, the Contractor shall also estimate the number of people potentially impacted by any resettlement resulting from land acquisition. If it is deemed that there will be land acquisition and resettlement requirements resulting from the Project, the Contractor will recommend fair compensation packages for resettled people based on international best practice.

Lastly, if the Contractor determines there could be negative social ramifications during Project implementation or the service phase due to increased movement of goods and people through upgraded port facilities, it shall provide recommendations on mitigation measures aimed at protecting vulnerable groups including, but not limited to, women, children, and any indigenous peoples.

Task 8 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- An environmental statement for each of the eight to ten sites identifying any potential environmental impacts;
- An opinion statement of whether an EIA may be required for each site, along with terms of reference and procedures on delivering the EIA;
- A sociological assessment of Project impacted people, specifically addressing the communities at-large and disaggregated for women, children, and any indigenous peoples, as well as an assessment of local cultural, heritage, and historical sites;
- An evaluation of the Project's need for labor resources, specifically outlining skill supply and demand;
- An estimate of any potential land acquisition and resettlement needs, with establishment of compensation packages for resettled people as applicable; and
- Mitigation measure recommendations to reduce any negative social/cultural impacts due to increased movement of goods and peoples through and around each of the selected sites.

Task 9: Institutional and Legal-Regulatory Assessment

Subtask 9.1: Institutional Arrangements

The Contractor shall investigate the current institutional arrangements related to the O&M of the eight to ten selected sites and develop various schemes for O&M throughout the life cycle of each. Each scheme shall include a description of the legal basis and management structure. If a new institutional scheme is recommended, the Contractor shall provide a detailed justification for the creation of this scheme, including a ranking of alternative options. The review of the existing management structure and any recommendations for new schemes shall include information about the stakeholders, including potential ones, as well as their interactions, the distribution of costs, benefits, and responsibilities amongst them. In addition, the Contractor shall provide recommendations on improvement of 'hard' and 'soft' elements of nationwide VTMS management structure/system based on the evaluation of strengths, weaknesses, and international best practice.

The Contractor shall describe the institutional risks that determine the main risk factors, the expected nature and range of changes, and the proposed risk mitigation measures. Considering the likely financing plan based on the conclusions of Task 5 and the distribution of risks in the various schemes under consideration, the Contractor shall develop a strategy for contracting O&M service providers. The Contractor shall also recommend tendering and contract structures for the most viable schemes.

At the conclusion of Subtask 9.1, the Contractor shall present its recommendations on the optimal institutional arrangements for operating and maintaining the eight to ten selected sites to the PCG, the Client, and all relevant stakeholders that would be involved in the service phase after implementation of the VTMS. The meeting shall be held virtually or in person as agreed to between the Contractor, the PCG, and the Client. The outcome of this meeting shall be an agreement with all parties involved on how the institutional arrangements will be structured. Finally, the Contractor shall develop an organizational structure of proposed VTMS division(s) delegating a competent authority. The organizational structure shall include a description of the specific functions, responsibilities within all divisions, and their staffing level requirements.

Subtask 9.2: Legal and Regulatory Assessment

Based on the most likely institutional structure, the Contractor shall analyze the regulatory systems related to it, both in terms of domestic and international standards. The Contractor shall conduct a study on the implementation of schemes for O&M of ports and similar facilities in other countries and present the most appropriate legal and regulatory model for assets related to the Project. If necessary, the Contractor shall prepare proposals for adjusting the sectoral norms related to the legal and regulatory framework for private sector participation in the delivery of the various aspects of the eight to ten selected priority sites.

Task 9 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such

Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- An assessment of the current institutional organization related to nationwide and site-specific management and O&M, and provide recommendations on improvements to balance costs and risks;
- Proceedings of the institutional arrangements meeting, including meeting minutes, presentations, and conclusions of agreements; and
- An assessment of the related legal and regulatory frameworks for each structure considered to be viable options for operating and maintaining the Project.

Task 10: Capacity Building and Training Requirements

Based on the optimal institutional arrangements developed through Task 9 and in agreement with all relevant Project stakeholders, the Contractor shall assess the technical, institutional, and staffing capabilities of the relevant staff of these stakeholders. Following this assessment and confirmation of existing capacity, the Contractor shall provide recommendations on whether they are capable of implementing and/or operating the Project and if additional capacity building is required.

Once the assessment is completed, the Contractor shall develop recommendations on initial capacity building requirements and any ongoing training demands that will be required to operate and maintain the selected sites. In addition, the Contractor shall integrate training and facility requirements designed to maintain international certifications related to VTMS standards, specifically, but not necessarily limited to, those outlined by the International Maritime Organization ("IMO") and their associated regulatory bodies.

Task 10 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Findings on the capacity assessment of all relevant stakeholders responsible for the implementation, operation, and maintenance of the VTMS at the eight to ten selected sites; and
- Recommendations and descriptions of initial capacity building and ongoing training needs to meet both the confirmed operation and management configuration (Task 9) and to maintain compliance with international standards and regulations set forth by, at a minimum, the IMO.

Task 11: Preparation of Tender Documents

The Contractor shall assist the PCG and the Client in preparing tender documents for the recommended system. The documents shall include the following:

- Technical specifications for all components of the VTMS, including, but not limited to, equipment, hardware, software, civil works (if new buildings are required), operational staffing and training, security and surveillance; and
- After-sales technical support services and training requirements for pre- and post-commissioning of the VTMS.

The documents shall include wording to specifically indicate the responsibilities of the various parties (PCG/PPA, other government entities, prime vendor, subcontractors, etc.), the quantities of materials to be provided for system implementation, technical performance standards to be achieved in compliance, and specific time schedules for implementation.

In addition, the Contractor shall provide written guidance to the PCG on how to evaluate proposals on a technical level, including weights for the various components of the VTMS.

Task 11 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- The tender documents with final technical specifications and detailed expectations of after-sales support services and training; and
- A report on how the Contractor envisages executing and assessing the tender process in line with the PCG's standard protocol.

Task 12: Implementation Plan

The Contractor shall develop an "Implementation Plan" that provides a proposed timetable, cash flow, and Project execution plan for the various stages, milestones, and actions needed. This plan shall use the detailed technical requirements of the VTMS system components as defined in Task 6. The Implementation Plan shall be finalized with the PCG and the Client to prepare the PCG or other relevant procuring entities for tendering the various aspects of the VTMS masterplan components in the selected sites.

Task 12 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Detailed Implementation Plan that shows the proposed actions and timetable for the implementation of the various components of the masterplan in the selected sites.

Task 13: Analysis of Host Country Development Impacts

The Contractor shall analyze the economic and development impacts associated with implementation of the VTMS for the eight to ten selected sites in the Philippines. The analyses shall focus on key factors such as infrastructure, impacts on the efficiency of port operations and call time in ports, safety of navigation, pollution reduction and control, human capacity building, and technology transfer. In conducting such analyses, the Contractor shall provide estimates of the Project's baseline figures and potential benefits/outcomes figures related to the following metrics:

<u>Metrics to Assess Development Impact:</u>

Category	Indicator	Description	Anticipated Outcome
Infrastructure Development and Efficiency Gains	Improved Mobility through Transportation Infrastructure	The physical improvements and equipment additions related to VTMS implementation (radars, telecommunications equipment, surveillance technology) at selected sites in the Philippines will result in the improved flow of vessels and increased efficiency of maritime traffic.	TBD number of transport vehicles per year
Promoting Safety and Security	Improved Safety and/or Security	The introduction of VTMS will increase the safety of maritime traffic movements at the selected sites in the Philippines, including reducing the potential for ship collisions and maritime pollution incidents.	Yes

In addition to the above, the Contractor shall outline the anticipated improvements in overall infrastructure in the Philippines due to this Project, including the impact on safety and efficiency of maritime traffic movements, improvements in the safety of life at sea, and protection of the environment in accordance with IMO Resolution A.857 (20).

Task 13 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Development impact assessment for the Project with estimated impacts for the individual sites and the aggregate impact for the eight to ten priority sites.

Task 14: U.S. Sources of Supply

The Contractor shall assess the availability of potential U.S. sources of supply for the Project. In doing so, the Contractor shall consider U.S. suppliers' experience, technical capability, and current operations in the Philippine market vis-à-vis price, delivery time, reliability, support, lag-time to get spares, cost of spares, maintenance/support packages, training, and level of sophistication, amongst others. The Contractor shall develop a list of U.S. sources of supply, which shall include suppliers of equipment such as radars, cameras, surveillance systems, telecommunications systems, ICT equipment, servers, hardware, software, systems, and engineering services. The U.S. sources of supply list shall include a critical analysis of the potential U.S. exports for the Project and shall be broken down by category and dollar value. The U.S. sources of supply list shall include: (i) the possible U.S. sources of supply and/or services for the Project, (ii) a detailed description of relevant products, solutions and/or services to be provided, and (iii) contact information for the party or parties responsible for marketing/sales in the Philippines. Contact details such as the business name, point of contact, address, telephone number, and email address shall be included for each identified U.S. company.

The Contractor shall discuss the Project with U.S. companies for <u>each</u> equipment (both hardware and software) and service category defined by the Contractor that could supply goods and/or services, which could be a combined hardware and software system or individual hardware components as well as services, to the Project. In these discussions, the Contractor shall determine the U.S. companies' level of interest in the Project. The Contractor shall inform the Client and PCG of which U.S. suppliers have expressed interest in the Project.

To facilitate communication and interaction with U.S. manufacturers and service providers, the Contractor shall prepare a project note ("Project Note") providing a general description of the Project (without sensitive information being disclosed). The Contractor shall distribute the Project Note electronically to various U.S. equipment and service firms. The purpose of the Project Note is to solicit feedback related to interest of U.S. firms in competing for different components of the Project. In the Project Note, the Contractor shall also provide information related to equipment financing programs available from the Export-Import Bank of the United States and other U.S. government resources suitable for the Project.

Task 14 Deliverable: The Contractor shall prepare and deliver to the Client and PCG a written report that contains: (i) an executive summary, (ii) documentation evidencing all work performed under this Task, (iii) electronic copies of all data, documentation and original source files for such Deliverable, (iv) a "cross-walk" that provides (A) the language of each requirement set forth in this Task (in sentence, bullet point or Subtask form), and (B) the associated page number(s) of the report on which the evidence establishing the Contractor's completion of such requirement is featured, presented in a table format, and (v) all findings and all work product created in connection with this Task, including but not limited to:

- Details on potential U.S. sources of supply broken down by equipment/service category and including detailed contact information;
- Summaries of discussions held with the various identified suppliers; and
- Descriptions of the feedback received from the circulated Project Note.

Task 15: Final Report

The Contractor shall prepare and deliver to the Client and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference (the "Final Report"), which must conform to the requirements under Clause I of the Mandatory Contract Clauses (as defined in Annex II). The Contractor shall organize the Final Report into chapters and sections with clear labels corresponding to each of the above Tasks and Subtasks of these Terms of Reference, and the Contractor shall include in the Final Report all Deliverables and other documents that have been provided to the Client under these Terms of Reference. The Contractor shall incorporate into the Final Report, as applicable, (i) all of the findings, recommendations and conclusions related to the Activity under these Terms of Reference, and (ii) all other documents, analyses, reports and/or work product provided pursuant to the Tasks and Subtasks noted above, in each case clearly organized and labeled according to each Task and Subtask under these Terms of Reference. The Contractor shall also include an executive summary to the Final Report as a whole, and provide a summary for each Task under these Terms of Reference.

Before completing and delivering the Final Report to the Client or USTDA, the Contractor shall prepare a draft Final Report in accordance with the instructions in the above paragraph and deliver the draft Final Report to the Client for review and discussion. Once the Client has provided comments and revisions to the draft Final Report, the Contractor shall make the necessary changes and modifications to the draft Final Report, it being understood that the Contractor shall not make any changes or modifications that are inconsistent with any of these Terms of Reference.

Task 15 Deliverable: The Contractor shall prepare and deliver the Final Report to the Client and USTDA.

Annex II

USTDA Mandatory Contract Clauses

A. Grant Agreement; Subcontracts; USTDA Mandatory Contract Clauses Controlling

The Contract Parties acknowledge that this Contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America, acting through USTDA, and the Department of Transportation of the Republic of the Philippines (the "Client"), dated as of ________________ (the "Grant Agreement"). Terms used but not defined in this Contract shall have the meanings as set forth in the Grant Agreement. The Client has selected ______________________ (the "Contractor") to perform the feasibility study (the "Activity") related to the proposed development of an expanded vessel traffic management system ("VTMS") for the Philippine Coast Guard ("PCG") (the "Project") located in the Philippines (the "Host Country"). Each of the Client and the Contractor is referred to herein as a "Contract Party", and collectively as the "Contract Parties".

Except as otherwise expressly provided herein, (i) all work performed under this Contract must be performed either by the Contractor or otherwise by a Subcontractor (as defined below) pursuant to a Subcontract (as defined below), and (ii) all Subcontracts entered into by the Contractor that are funded or partially funded with Grant Funds must be in writing and must include these USTDA Mandatory Contract Clauses (these "Mandatory Contract Clauses"), other than for Clauses B, G, H, I, J and S. Upon USTDA's request, the Contractor shall provide USTDA with a copy of each Subcontract that it enters into, along with an English translation of any such Subcontract that is executed in a language other than English, which translation must be certified by the Contractor as being complete and accurate. For purposes of this Contract, (a) the term "Subcontractor" means any individual, corporation, partnership or other legal entity having a contract, purchase order or other agreement, whether written or oral, with the Contractor for the performance of any part of the Activity, and (b) the term "Subcontract" means any such contract, purchase order or other agreement entered into between the Contractor and a Subcontractor.

In addition, (i) in the event of any inconsistency or conflict between the terms and provisions of the Grant Agreement (subject to Article 2, Article 5(E) and Article 9 therein) and those of this Contract or any Subcontract hereunder, the Grant Agreement shall be controlling, and (ii) in the event of any inconsistency between the terms and provisions of these Mandatory Contract Clauses and any other terms and provisions of this Contract or any Subcontract hereunder, these Mandatory Contract Clauses shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

USTDA will not authorize the disbursement of Grant Funds until this Contract conforms to modifications required by USTDA (if any) during the Contract review process and this Contract has been formally approved by USTDA. To perform this review in a timely fashion, USTDA must receive from either the Client or the Contractor an English language version of a final negotiated draft version of the Contract (in an editable electronic format) sent to the email address listed in Clause M below, or to such other email address as specified by USTDA.

(2) USTDA Not a Party to This Contract

(a) The Contract Parties understand and agree that USTDA as a financing entity reserves to itself certain rights under this Contract, including, but not limited to: (i) the right to approve the terms of this Contract and amendments to this Contract, including assignments, the selection of the Contractor and all Subcontractors, the Terms of Reference, the Final Report, and any and all documents related to this Contract or any Subcontract funded under the Grant Agreement, (ii) the right to require the Contract Parties to suspend performance of the Terms of Reference upon reasonable prior written notice to the Contract Parties, and any further work performed in connection with the Terms of Reference following the Contractor's receipt of such written notice will be at the Contractor's risk, (iii) the right to suspend disbursements of Grant Funds under Clause 3 for cause upon reasonable prior written notice to the Contract Parties, and (iv) the right to demand, upon written notice to the Contractor, a refund from the Contractor of an appropriate amount of any Grant Funds that have been previously disbursed to the Contractor under Clause 3 of this Contract in the event that (A) the Contractor or any Subcontractor fails to comply in all material respects with the Terms of Reference or the terms and conditions of this Contract (including these Mandatory Contract Clauses), or (B) this Contract and/or the Activity is terminated, and the amount of Grant Funds disbursed to the Contractor prior to such termination exceeds the value of the work performed under this Contract in accordance with its terms, as determined by USTDA in its sole discretion. The Contract Parties shall comply with all written notices, instructions and requests issued by USTDA in connection with USTDA's exercise of its rights under this Clause B(2).

(b) The Contract Parties further understand and agree that USTDA, in reserving any or all of the foregoing rights, has acted solely as a financing entity to ensure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these rights will be made as a financier in the course of funding the Activity and will not be construed as making USTDA a party to this Contract. The Contract Parties understand and agree that USTDA may, from time to time, exercise the foregoing rights, or discuss matters related to these rights and the Project with the Contract Parties or the parties to any Subcontract, jointly or separately, and in consideration of USTDA's role as financier, the Contract Parties further agree that USTDA's rights may be exercised without thereby incurring any responsibility or liability, in contract, tort or otherwise, to the Contract Parties or the parties to any Subcontract. Any approval or failure to approve by USTDA will not bar the Client or USTDA from asserting any right that it might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

(c) The Contract Parties shall not sue or join any action seeking compensation from, and shall not participate in and shall withdraw from, any action seeking compensation from the Government of the United States of America, or any of its departments or agencies, arising in connection with the Activity.

(d) The Contract Parties acknowledge and agree that USTDA is a third party beneficiary to this Contract and is entitled to the rights and benefits hereunder and may enforce the provisions of this Contract as if it were a party hereto. No person, other than the Contract Parties hereto and USTDA, has any rights or remedies under this Contract.

(3) Implementation Letters

To assist the Client and the Contractor in the efficient performance of the Activity, USTDA may from time to time issue one or more implementation letters ("Implementation Letters") to provide additional, modified or updated information about matters covered by this Contract and/or to make modifications or clarifications to the terms and provisions herein (any such information or modification, as applicable, a "Change"). Without limiting the generality of the foregoing, USTDA may issue Implementation Letters containing one or more Changes, among other reasons, to: (a) extend the estimated completion date set forth in Clause K(1), (b) extend the availability period of Grant Funds set forth in Clause K(2), (c) update the fiscal data set forth in Clause M, (d) update a Party's address of record or point of contact, (e) make modifications or clarifications to the Terms of Reference, (f) grant conditional waivers of USTDA's rights pursuant to Clause 16 of the Contract, (g) modify the list of personnel specified in Annex III of this Contract, and (h) correct scrivener's errors. Notwithstanding the provisions of Clause 15 and Clause J of this Contract, upon receipt of an Implementation Letter from USTDA, if and to the extent each Contract Party assents to the Change set forth in such Implementation Letter, such Contract Party shall promptly notify the other Contract Party and USTDA of such assent by email in accordance with Clause 19 and Clause M, as applicable, and such Change will be deemed incorporated into the terms and provisions of this Contract without the need for any further action by either Contract Party or USTDA. The Contract Parties and USTDA may also use jointly agreed upon Implementation Letters, executed by each Contract Party and by USTDA, to confirm, clarify, modify and/or record their mutual understanding of matters covered by this Contract.

C. Nationality, Source and Origin

For purposes of this Contract, the term "U.S. Firm" means:

(i) a private-sector for-profit legal entity or partnership that is formed, incorporated or organized in the U.S., with its principal place of business in the U.S., and which is:

(a) more than fifty percent (50%) owned or controlled by U.S. citizens and/or non-U.S. citizens lawfully admitted for work and/or permanent residence in the United States; or

(b) satisfies each of the following criteria:

(I) has been incorporated or organized in the U.S. for more than three (3) years prior to either (i) the date on which the initial proposal in respect of the

Activity is received by USTDA, or (ii) the date on which the Contractor submits its bid in response to USTDA's request for proposals in connection with the Activity, as applicable;

(II) has performed similar services in the U.S. for that three (3) year period;

(III) employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and

(IV) has the existing capability in the U.S. to perform the work in question; or

(ii) a nonprofit organization that is incorporated in the U.S. and managed by a governing body, a majority of whose members are U.S. citizens and/or non-U.S. citizens lawfully admitted for work and/or permanent residence in the United States.

In addition, the term "Source" means the country from which a shipment is made, and the term "Origin" means (x) the place of production of a good, whether through manufacturing, assembly or otherwise, or (y) the place from which delivery of a service is administered, as applicable.

Except as USTDA may otherwise expressly agree in writing, the following provisions shall govern the delivery of goods and professional services funded by Grant Funds under the Grant Agreement:

(1) the Contractor and all Subcontractors that are legal entities must be U.S. Firms;

(2) all natural persons who perform any part of the Activity as the Contractor, as a Subcontractor, or as an employee of the Contractor or of any Subcontractor, in each case, must be (a) U.S. citizens, or (b) non-U.S. citizens lawfully admitted for work and/or permanent residence in the United States;

(3) notwithstanding the provisions of Clauses C(1) and C(2), up to twenty percent (20%) of the Grant Funds may be used to pay for work performed in connection with the Activity by:

(a) Subcontractors that are organized as legal entities under the laws of the Host Country; and

(b) natural persons working as employees of the Contractor, as employees of any Host Country Subcontractor or as direct Subcontractors, in each case, who are either (i) citizens of the Host Country, or (ii) non-Host Country citizens lawfully admitted for work and/or permanent residence in the Host Country;

(4) a Host Country Subcontractor may only be used for specific services from the Terms of Reference identified in the Subcontract;

(5) no part of the Grant Funds disbursed in connection with the performance of the Activity may be used to pay (i) any legal entity that is incorporated or organized under the laws of a jurisdiction other than one of the United States or the Host Country, or (ii) a natural person who is a citizen of a country other than the United States (except as expressly provided in Clause C(2)) or the Host Country; and

(6) goods purchased for the performance of the Activity and associated delivery services (*e.g.*, international transportation and insurance) must have their nationality, Source and Origin in the United States; provided, however, that goods and services incidental to Activity support (*e.g.*, local lodging, food and transportation) in the Host Country are not subject to the foregoing restrictions.

D. Recordkeeping and Audit

The Contractor shall, and shall require its Subcontractors receiving Grant Funds to, maintain in accordance with generally accepted accounting procedures all books, records and other documents (including without limitation all bank statements, and receipts or proofs of purchase for all goods and services acquired in connection with the Activity) sufficient in form, content and level of detail to properly reflect all transactions and disbursements under or in connection with the Activity and this Contract. Such books, records and other documents shall clearly identify, track and describe the use and expenditure of Grant Funds separately from other funding sources. Such books, records and documents must be maintained during the period of performance of work commencing on the Effective Date, and continuing until the date that is three (3) years following the final disbursement of Grant Funds by USTDA. The Contractor shall, and shall require its Subcontractors receiving Grant Funds to, (i) afford USTDA or its authorized representatives the opportunity at reasonable times for inspection and audit of such books, records and other documents, and (ii) in the event of an audit of such books, records and other documents, reasonably cooperate with, and promptly respond to information requests from, any USTDA-appointed auditors.

E. U.S. Carriers

(1) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. § 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(2) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference laws, including (without limitation) the Cargo Preference Act of 1954, 46 U.S.C. § 55305.

F. Workman's Compensation Insurance

The Contractor shall provide adequate workman's compensation insurance coverage for work performed under this Contract.

G. Disbursement Procedures

(1) USTDA Approval of Contract

Disbursement of Grant Funds will be made only after USTDA approval of this Contract. Any work performed by the Contractor or any Subcontractor in connection with the Activity prior to USTDA's approval of the Contract will be at the Contractor's risk.

(2) Payment Schedule Requirements

A payment schedule for disbursement of Grant Funds to the Contractor is included in this Contract under Clause 3. Such payment schedule must conform to the following USTDA requirements: (a) the Contractor must provide reasonable justification for the amount of the mobilization payment, which in any event may not exceed ten percent (10%) of the total Grant Funds without the prior written approval of USTDA; (b) all other payments, with the exception of the final payment, must be based upon completion of one or more Tasks under the Terms of Reference as set forth in Clause 3; and (c) the final payment must be no less than fifteen percent (15%) of the total Grant Funds amount, payable upon approval by USTDA of a Final Report that has been (i) prepared and submitted in accordance with the requirements set forth in Clause I below, and (ii) approved in writing by the Client in the manner provided for by Clause G(4)(b)(iii) below.

(3) Invoice Approval Procedures

The Contractor shall submit Invoices meeting the requirements set forth in Clause G(4) to the Client for approval prior to submitting any such Invoice to USTDA for payment. The Client shall not approve any Invoice submitted to it by the Contractor unless such Invoice, and all work performed by the Contractor (or any Subcontractor) in connection with such Invoice, complies with the Terms of Reference and these Mandatory Contract Clauses. All Invoices must be submitted to the attention of the Finance Department by email to invoices@ustda.gov.

(4) Invoice Requirements

For purposes of this Contract, the term "Invoice" means any invoice submitted (or to be submitted) to USTDA by either the Client or the Contractor for payment of Grant Funds. USTDA will make all disbursements of Grant Funds directly to the Contractor. The Contractor must provide USTDA with an Oracle Supplier Request Form (available from USTDA) with the first Invoice. Either the Client or the Contractor may request disbursement of Grant Funds by USTDA to the Contractor for performance of the Terms of Reference by submitting the following to USTDA:

(a) Contractor's Invoice

The Invoice from the Contractor shall include reference to the applicable Deliverable(s) (as defined in Annex I of this Contract) or other performance milestone(s) listed in the Contract payment schedule, the requested payment amount, and an appropriate certification to USTDA by the Contractor, as follows:

(i) For a mobilization payment (if any):

> "As a condition for this mobilization payment, the Contractor certifies to USTDA that it will perform all work in accordance with the terms of its Contract with the Client. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the USTDA Mandatory Contract Clauses contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(ii) For Contract performance milestone payments:

> "The Contractor certifies to USTDA that it has performed the work described in this invoice in accordance with the terms of its Contract with the Client and is entitled to payment thereunder. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA Mandatory Contract Clauses contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For the final payment:

> "The Contractor certifies to USTDA that it has performed the work described in this invoice in accordance with the terms of its Contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA Mandatory Contract Clauses contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(b) Client's Approval of the Contractor's Invoice

(i) The Invoice for a mobilization payment must be approved in writing by the Client on the Invoice or separately.

(ii) For Contract performance milestone payments, the following certification to USTDA by the Client must be provided on the Invoice or separately:

> "The Client certifies to USTDA that the services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions, including the USTDA Mandatory Contract Clauses contained therein, and the terms and conditions of the USTDA Grant Agreement."

(iii) For the final payment, the following certification to USTDA by the Client must be provided on the Invoice or separately:

> "The Client certifies to USTDA that the services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions, including the USTDA Mandatory Contract Clauses contained therein, and the terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the Contractor has been reviewed and approved by the Client."

(5) Payment Disclaimer

The Contract Parties understand and agree that payment by USTDA of an Invoice does not constitute (a) acceptance or approval by USTDA, whether express or implied, of (i) any materials, Deliverables, reports or other documents prepared or delivered by the Contractor or any Subcontractor, or (ii) any work performed under the Terms of Reference or otherwise by the Contractor or any Subcontractor, in each case, in connection with the Activity, or (b) confirmation or agreement by USTDA, whether express or implied, as to whether any work performed by the Contractor or any Subcontractor in connection with the Activity has been performed in accordance with the terms and conditions of this Contract, including the Terms of Reference or these Mandatory Contract Clauses.

H. Termination

(1) Effect of Termination

In the event that this Contract and/or the Activity is terminated prior to completion of all Tasks under the Terms of Reference, the Contractor will be eligible for payment for the value of the work performed pursuant to the terms of this Contract prior to such termination; provided, however, that any such eligibility is subject to (a) compliance by the Contractor with the terms and conditions of this Contract (including the Terms of Reference and these Mandatory Contract Clauses), and (b) USTDA approval, which may be granted or withheld in USTDA's sole discretion. Likewise, in the event of such termination, USTDA may be entitled to receive a refund of Grant Funds from the Contractor pursuant to Clause B(2)(a). For the avoidance of doubt, in no event will any such termination relieve either Contract Party from any liability or obligation under this Contract arising prior to the effective date of such termination.

(2) Survivability

The obligations of the Contract Parties arising under the Surviving Clauses (as defined in the main body of this Contract), as well as Clauses A, B, D, G, H, N, Q, R and S of these Mandatory Contract Clauses, in each case, shall survive the termination of this Contract.

I. USTDA Final Report

(1) Definition

"Final Report" shall mean the Final Report described in the final Task of the Terms of Reference.

(2) License to Utilize Final Report

The Client hereby grants to the Government of the United States of America a fully paid-up, irrevocable, perpetual, transferrable, worldwide, royalty-free, non-exclusive license to use the Final Report, and all Deliverables and other work product associated with the Activity, including all Intellectual Property therein whether Pre-Existing Contractor IP, Pre-Existing Client IP or Developed IP (each as defined in the main body of this Contract).

(3) Final Report Submission Requirements

The Contractor shall provide the following documents and materials to USTDA collectively as one single submission:

(a) One (1) CD-ROM containing a complete electronic copy of the Final Report for USTDA's internal records. This version of the Final Report must be in the English language and must be approved by the Client in writing. It is the responsibility of the Contractor to ensure that Confidential Information (as defined in the main body of this Contract), if any, contained in this version of the Final Report is clearly marked (any version containing such Confidential Information, a "Confidential Version"). USTDA will maintain the confidentiality of such Confidential Information, subject to and in accordance with applicable U.S. law. The Contractor shall affix a label to the CD-ROM indicating the name of the electronic file containing the Final Report, which filename must satisfy the requirements of Clause I(4)(c) below.

(b) One (1) CD-ROM containing an electronic copy of the Final Report suitable for public distribution (the "Public Version"). The Public Version must be in the English language and must be approved by the Client in writing. As the Public Version will be available for public distribution, it must not contain any Confidential Information. It is the responsibility of the Contractor to ensure that no Confidential Information is contained in the Public Version of the Final Report. If the complete version of the Final Report submitted under Clause I(3)(a) above contains no Confidential Information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient Project detail to be useful to prospective U.S. equipment and service providers. The Contractor shall affix a label to the CD-ROM indicating the name of the electronic file containing the Public Version, which filename must satisfy the requirements of Clause I(4)(c) below. The Contractor acknowledges and understands that, notwithstanding any other provision in this Contract, the Public Version will be publicly available and in the public domain.

(c) A cross-walk index (the "Cross-walk"), delivered separately from the Final Report. The Cross-walk must be organized in numerical order by Task and Subtask from the Terms of Reference in a table format, and for each such Task and Subtask the Cross-walk must provide (i) the language of the requirement set forth in the Terms of Reference (in sentence, bullet point or Subtask form), and (ii) the associated page number(s) on which the evidence establishing the Contractor's completion of such requirement is included within the complete version of the Final Report delivered to USTDA under Clause I(3)(a), presented in a table format.

(d) The Contractor's final Invoice, prepared and submitted in accordance with Clause G.

(4) Final Report Presentation

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, and USTDA's address. If the complete version of the Final Report contains Confidential Information, the Contractor shall label the front cover of that version of the Final Report with the term "Confidential Version". The Contractor shall label the front cover of the Public Version of the Final Report with the term "Public Version". The front cover of every Final Report shall also contain the following disclaimer:

> "This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U.S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain (i) USTDA's logo, USTDA's address, and USTDA's mission statement, (ii) a written statement from the Client affirming that the Client has granted a license in connection with the Final Report to the Government of the United States of America as set forth in Clause I(2), and (iii) in the case of any Public Version of the Final Report, the Contractor shall include the term "Public Version" on such page, along with the following language:

> "Each of the Contractor and the Client certify to USTDA that this document contains the Public Version of the Final Report and that all contents are suitable for public distribution."

(c) Unless otherwise specified in the Terms of Reference, any electronic file containing any version of the Final Report or any other associated documents must be submitted to USTDA in a commonly accessible, machine readable, read-only format (such as .pdf format). The Contractor shall create a filename for any such electronic file that includes (in the following order): (i) the name of the Host Country, (ii) the USTDA Activity number set forth among the fiscal data in Clause M, and (iii) the title of the Final Report. In the case of any electronic file containing a Confidential Version of the Final Report, the Contractor shall include the term "CONFIDENTIAL VERSION" at the end of such filename. In the case of any electronic file containing the Public Version of the Final Report, the Contractor shall include the term "PUBLIC VERSION" at the end of such filename.

(d) The Contractor and any Subcontractors that perform work pursuant to the Contract must be clearly identified in the Final Report. Business name, point of contact, address, telephone and email address shall be included for the Contractor and each Subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, must identify the availability of prospective U.S. sources of supply, including the business name, point of contact, address, telephone and email address for each prospective commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification to USTDA by the Client to this effect provided on or with the Invoice for final payment will meet this requirement.

(5) Final Report Disclaimer

The Contract Parties understand and agree that neither USTDA's receipt of the Final Report nor processing or payment of the final Invoice by USTDA constitutes (a) approval, validation or endorsement by USTDA, whether express or implied, of (i) the Final Report or any of its contents, or (ii) the quality, characteristics or nature of any work performed under the Terms of Reference or otherwise by the Contractor or any Subcontractor in connection with the Activity, or (b) confirmation or agreement by USTDA, whether express or implied, as to whether any work performed by the Contractor or any Subcontractor in connection with the Activity has been performed in accordance with the terms and conditions of this Contract, including the Terms of Reference and these Mandatory Contract Clauses.

J. Amendment Procedures

Consistent with the amendment provisions set forth in the main body of this Contract, all amendments, assignments or other modifications to this Contract, including the Annexes to this Contract, will be made effective only by written instrument signed by the Contract Parties and approved in writing by USTDA. Either Contract Party may submit to USTDA, at the address set forth in Clause M, a final negotiated draft version (in an editable electronic format) of any proposed amendment, assignment or other modification to this Contract for USTDA review. USTDA will advise the Contract Parties as to whether the draft instrument is ready for execution, on the understanding that USTDA's approval may be contingent upon certain modifications being made to such draft.

K. Activity Schedule

(1) Activity Completion Date

The Contract Parties' estimated completion date for the Activity is __________________.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise expressly agree in writing, (a) no Grant Funds may be disbursed under this Contract for goods and services which are provided prior to the Effective Date of the

Grant Agreement, and (b) no Grant Funds may be disbursed more than four (4) years after the Effective Date of the Grant Agreement.

L. Business Practices; Conflicts of Interest

(1) Business Practices

The Contract Parties recognize the existence of standards of conduct for public officials and commercial entities in their respective countries. Therefore, the Contract Parties shall fully comply with all United States and Host Country laws relating to corruption or bribery, and shall not directly or indirectly provide, offer or promise to provide money or anything of value to any public official in violation of any United States or Host Country laws relating to corruption or bribery. For example, the Contractor and its Subcontractors shall fully comply with the requirements of the U.S. Foreign Corrupt Practices Act, as amended (15 U.S.C. §§ 78dd-1 *et seq.*). Each Contract Party agrees that it shall require that any Subcontractor, agent or representative hired to represent it in connection with the Activity will comply with this Clause L and all laws which apply to activities and obligations of that Contract Party, including, but not limited to, those laws and obligations referenced above.

(2) Conflicts of Interest

(a) Except as USTDA may otherwise expressly agree in writing, no Contract Party, or any employee, executive, director, officer or other staff member of a Contract Party, may either directly or indirectly engage in any activity or maintain any relationship (any such activity or relationship, a "Conflict of Interest") which might adversely affect the Activity or the rights of USTDA, including but not limited to (i) ownership of a material interest in the other Contract Party, or in any supplier, contractor, distributor, Subcontractor (other than any Subcontractor that is an affiliate of the Contractor as disclosed to USTDA in Annex III of this Contract), customer or other entity involved in the performance of the Activity, (ii) acceptance of any material payment, service, loan, gift, trip, entertainment, favor or other thing of value from the other Contract Party, a supplier, contractor, distributor, Subcontractor, customer or other entity involved in the performance of the Activity, (iii) any employee, executive, director, officer or other staff member of one Contract Party holding a position as an employee, executive, director, officer or other staff member of the other Contract Party, or of any supplier, contractor, distributor, Subcontractor, customer or other entity involved in the performance of the Activity, and (iv) any condition or circumstance that would reasonably be expected to (A) cause one or more of the Contract Parties to be unable or potentially unable to render impartial assistance or advice, (B) impair the objectivity of the Contractor or any Subcontractor in performing the Activity, or (C) create an unfair competitive advantage for any entity wherein either Contract Party has a material interest.

(b) Neither the Client nor the employees, executives, directors, officers or other staff members of the Client may receive payment from the Grant Funds.

(c) Any Contract Party shall promptly notify USTDA of any Conflict of Interest of which it becomes aware.

M. USTDA Address and Fiscal Data

Any communication with USTDA regarding this Contract shall be sent to the following contact information and include the fiscal data listed below:

To:	U.S. Trade and Development Agency
Address:	1101 Wilson Boulevard, Suite 1100 Arlington, VA 22209-2275 USA
Phone:	(703) 875-4357
Email:	IndoPacific@ustda.gov

Fiscal Data:

Appropriation No.:	11 23/24 1001
Activity No.:	2023-31005A
Reservation No.:	2023031
Grant No.:	1131PL23GH31031

N. Taxes

The Grant Funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country, except for taxes of a *de minimis* nature imposed on local lodging, food, transportation or airport arrivals or departures or individual income taxes assessed on local Host Country staff ("Accepted Taxes"). Neither the Client nor the Contractor may seek reimbursement from USTDA for any such taxes, tariffs, duties, fees or other levies, other than the Accepted Taxes, to the extent that the amounts of such Accepted Taxes are included on expense receipts maintained by the Contractor in accordance with Clause D.

O. Compliance with Trade-Related Laws

The Contractor and all Subcontractors are responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of all work in connection with the Activity. In addition, the Contractor shall not recommend as part of the Final Report any products, commodities, components, articles or other goods for use in connection with the Project that are (i) subject to any Withhold Release Order issued by U.S. Customs and Border Protection under Section 307 of the Tariff Act of 1930 (19 U.S.C. § 1307), (ii) included on the "List of Goods Produced by Child Labor or Forced Labor" published from time to time by the U.S. Department of Labor, or (iii) otherwise restricted by the Uyghur Forced Labor Prevention Act, Pub. L. 117-78 (2021). If, at any time during the performance of the Activity, the Contractor determines in its professional judgment (consistent with recognized professional standards) that it is unable to comply with the provisions of this Clause O, the Contractor shall promptly (but in any event, within three (3) business days) notify USTDA.

P. Change of Control

For purposes of this Contract, the term "Change of Control" means the occurrence of any one or more of the following: (i) the accumulation, whether directly, indirectly, beneficially or of record, by any person, legal entity or group, of fifty percent (50%) or more of the shares of the outstanding equity securities of a Contract Party, (ii) a merger, consolidation or reorganization of a Contract Party in which such Contract Party does not survive as an independent legal entity or upon the consummation of which the holders of such Contract Party's outstanding equity ownership interests prior to such merger, consolidation or reorganization own less than 50% of the outstanding equity ownership interests of such Contract Party after such merger, consolidation or reorganization, or (iii) a sale of all or substantially all of the assets of a Contract Party. Each Contract Party shall provide both USTDA and the other Contract Party with written notice of any anticipated Change of Control of such Contract Party prior to the effective date of such Change of Control, which notice must identify (i) the person(s) and/or legal entity (or entities) that are gaining control or ownership over such Contract Party, and (ii) the person(s) and/or legal entity (or entities) that are losing control or ownership over such Contract Party. The Contract Parties acknowledge and agree that, in order for the Activity to continue following any Change of Control, any legal entity (or entities) that are gaining control or ownership over a Contract Party must satisfy USTDA's due diligence guidelines.

Q. Liability

This Contract may include a clause that limits the liability of the Contract Parties, provided that such a clause does not (i) disclaim liability for damages that are natural, probable and reasonably foreseeable as a result of a breach of this Contract, or (ii) limit the total amount of damages recoverable to an amount less than the total amount of Grant Funds actually disbursed to the Contractor pursuant to this Contract. If any clause set forth in this Contract is inconsistent with either or both of these limitations, such clause will be invalid and unenforceable to the extent of the inconsistency.

R. Arbitration

If the Contract Parties submit any dispute arising under this Contract for arbitration, the scope of any such arbitration shall be limited to the Contract Parties' rights and/or obligations under this Contract and may not extend to any right or obligation of USTDA. The arbitrator(s) shall not arbitrate issues directly affecting the rights or obligations of USTDA.

S. Reporting Requirements

The Contractor shall advise USTDA as to the status of the Project at least one (1) time per year for a period of two (2) years after completion of the Activity. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and shall designate the Contractor's point of contact related to such follow-on work, including such person's name, title, address, telephone number and email address. Because this information may be made publicly available by USTDA, any Confidential Information must be designated as such by the

Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such Confidential Information, subject to and in accordance with applicable U.S. law.

APPENDIX 4

REFERENCE TASK VALUES

The amounts set forth in the table below (the "Reference Task Values") represent USTDA's assessment of the total value of the goods and services to be provided in connection with each individual Task. This assessment is based on expert technical analysis from the background Definitional Mission that was used to inform USTDA's determination of the total USTDA grant amount, which is a fixed amount.

Reference Task Values		
Task Number & Title	**Estimated Value**	**Percentage of Total**
1. Project Initiation and Kickoff	$64,175	7%
2. Preliminary Assessment of Existing Capabilities	$61,775	6%
3. Detailed Site Assessments	$181,975	19%
4. Design of VTMS Architecture	$95,975	10%
5. Financial and Technical Analysis	$65,975	7%
6. Design of Detailed VTMS Technical Specifications	$75,975	8%
7. Economic Modeling and Analysis	$37,475	4%
8. Environmental and Socia Impact Assessment	$50,575	5%
9. Legal and Regulatory Analysis	$43,875	4%
10. Capacity Building and Training	$55,225	6%
11. Preparation of Tender Documents	$54,475	6%
12. Implementation Plan	$42,525	4%
13. Development Impact Assessment	$34,725	4%
14. U.S. Sources of Supply	$35,225	4%
15. Final Report	$79,320	8%
Total:	**$979,270**	**100.0%**

APPENDIX 5

CRITERIA FOR WITHHOLDING APPROVAL OF THE CONTRACTOR SELECTED BY A GRANTEE FOR A GRANT ACTIVITY

USTDA advances the infrastructure goals of developing and middle-income countries by awarding grant funds to overseas project sponsors (Grantees) for project preparation activities such as feasibility studies, technical assistance, pilot projects, environmental social impact assessments and front-end engineering and design projects (Grant Activities). These grant funds, in turn, fund work conducted by a U.S. firm (the Contractor) pursuant to a contract between the Grantee and the Contractor. As the financier of the Grant Activities, USTDA must approve the Contractor selected by the Grantee to carry out a Grant Activity, as well as the sub-contractor(s) proposed by the Contractor or Grantee. For purposes of this statement of policy, the term Contractor will also include any sub-contractor(s) proposed for USTDA Grant Activities. USTDA may withhold its approval if the selected Contractor fails to demonstrate its ability to meet USTDA's standards.

USTDA has a fiduciary duty to safeguard taxpayer funds by ensuring they are used responsibly and effectively. One of the ways it does this is by attempting to ensure that the Grant Activities USTDA finances are high-quality and can contribute to the development of implementable infrastructure projects.

While USTDA cannot assume responsibility for Grantees' decisions regarding which Contractors are best suited to their needs, USTDA may withhold its approval of a Contractor proposed by a Grantee for a particular Grant Activity on the following grounds:

1. **Failure to Demonstrate the Ability to Satisfy USTDA's Requirements**. If a Contractor does not demonstrate the ability to satisfy USTDA's policy or administrative requirements, including the requirements established by the USTDA grant agreement, the mandatory contract clauses attached to the grant agreement template (the Mandatory Clauses) or other general or activity- specific USTDA requirements, USTDA will withhold its approval of the selection of that Contractor for the Grant Activity.

2. **Failure to Demonstrate the Ability to Satisfy the Technical and Substantive Requirements of the Grant Activity**. Each USTDA Grant Activity is governed by Terms of Reference (ToRs). USTDA may withhold its approval of the selection of a Contractor for a Grant Activity if the Contractor does not demonstrate that it has the technical or substantive expertise and necessary personnel to complete the ToRs and other obligations under the contract to either USTDA's or the Grantee's standards.

3. **Financial Capacity**. USTDA carries out credit screenings and investigates bankruptcy and other financial delinquencies to determine the financial health and sustainability of Contractors. If USTDA's findings indicate that the Contractor's financial health is uncertain and could put the Contractor's ability to perform its obligations in jeopardy, USTDA may withhold its approval of the selection of that Contractor for the Grant Activity.

4. **Conflict of Interest.** If the Contractor has a conflict of interest, as defined in the Mandatory Clauses, that appears likely to impair the objectivity of the Contractor or the Contractor's ability to carry out the ToRs, USTDA may withhold its approval of the selection of that Contractor for the Grant Activity.

5. **Audit Findings or Exceptions, or Failure to Meet Prior Contractual Obligations to USTDA.** USTDA may withhold its approval of the selection of a Contractor for a Grant Activity if the Contractor has received audit findings or exceptions related to other USTDA Grant Activities that suggest the Contractor will not be able to effectively carry out the ToRs or otherwise meet USTDA's contractual requirements. USTDA may also withhold its approval of the Contractor selection if the Contractor has not remitted funds that it owes to the U.S. government from the close-out of previous USTDA grant activities. Similarly, USTDA may withhold its approval of the Contractor selection if the Contractor has failed to meet USTDA's contractual requirements for other Grant Activities, including but not limited to delinquency in success fee reporting, failure to meet cost share requirements or other noncompliance with the Mandatory Clauses.

6. **Debarment.** If the Contractor has been debarred by the federal government, state or local government, or an international organization such as the World Bank, United Nations or a regional multilateral development bank, USTDA may withhold its approval of the selection of that Contractor for the Grant Activity.

7. **Violation of Standards of Conduct**. If the Contractor has violated the law or standards of professional or ethical conduct of the U.S. or other countries, particularly those related to bribery and corruption, or has otherwise demonstrated behavior that raises serious integrity concerns regarding the Contactor and/or its employees, USTDA may withhold its approval of the selection of that Contractor for the Grant Activity.

Significant Negative Performance Reviews. If the Contractor has received one or more significant negative performance reviews from U.S. government entities that suggest that the Contractor will not be able to effectively carry out the ToRs or otherwise meet USTDA's contractual requirements, USTDA may withhold its approval of the selection of that Contractor for the Grant Activity.

APPENDIX 6

PROPOSED PERSONNEL INFORMATION FORM

Proposed Personnel Information Form

Form PER-1: Proposed Personnel

Bidders should provide the names of suitably qualified personnel to meet the specified requirements stated in Section III. The data on their experience should be suppliedusing the Form below for each candidate.

1.	**Title of position***
	Name
2.	**Title of position***
	Name
3.	**Title of position***
	Name
4.	**Title of position***
	Name

***As listed in Section III.**

Form PER-2: Resume of Proposed Personnel

Name of Bidder

Position			
Personnel information	**Name**	**Date of birth**	**Citizenship**
	Professional qualifications		
Present employment	**Name of employer**		
	Address of employer		
	Telephone	**Contact (manager / personnel officer)**	
	Fax	**E-mail**	
	Job title	**Years with present employer**	

Summarize professional experience, including relevant projects and work experiences over the last 20 years, in reverse chronological order. Indicate particular technical and managerial experience relevant to the project.

From	To	Company / Project / Position / Relevant technical and management experience