

REQUEST FOR PROPOSALS

FEASIBILITY STUDY FOR THE

BELAU NATIONAL HOSPITAL RELOCATION

Submission Deadline: **Monday, September 1, 2025**
10:00 AM D.C. Time
11:00 PM Ngerulmud, Palau Standard Time

Submission Place: Proposals must be submitted electronically via e-mail to:
Mr. Calvin Ikesiil
Director, Bureau of Public Works (BPW)
Ministry of Public Infrastructure and Industries
Contracting Officer at ropcip22@gmail.com
Ref: 2025-RFP-ROP-012

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\$2,370,000 to Palau's Ministry of Public Infrastructure and Industry (the "Grantee") in accordance with a grant agreement dated October 23, 2024 (the "Grant Agreement"). The grant funds a feasibility study ("Feasibility Study") to support the Grantee in assessing the viability of constructing of a new modern hospital with a capacity of 120 to 150 beds, designed to meet both current and future healthcare needs (the "Project") in the Republic of Palau (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 Feasibility Study.

1.1 BACKGROUND SUMMARY

The Feasibility Study will support the Grantee in assessing the viability of constructing of a new modern hospital with a capacity of 120 to 150 beds, designed to meet both the current and future healthcare needs of Palau. The new hospital should be equipped with advanced medical capabilities, offering services such as emergency care, specialized surgeries, and diagnostic technologies that are currently unavailable in the country. It should also prioritize infrastructure resilience to withstand the environmental challenges that come with Palau's tropical conditions, including typhoons, heavy rainfall, and high humidity.

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

1.2 OBJECTIVE

The objective of the Feasibility Study is to assess the technical and economic viability of the new hospital by evaluating three potential sites for construction, assessing their suitability based on factors such as infrastructure resilience, site conditions, accessibility, proximity to existing basic water, sewer, telecom and power infrastructure, and cost. The Feasibility Study will also prove the basic architectural and engineering design services necessary for the determination of optimal site to ensure the new hospital is both functional and sustainable. Additionally, the Feasibility Study will explore financing options and develop a detailed implementation plan to guide the hospital's construction and operational transition. The Terms of Reference (TOR) for this Feasibility 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 Feasibility 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\$2,370,000. The USTDA grant of US\$2,370,000 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\$2,370,000 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 Feasibility 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 Palau: Belau National Hospital Relocation 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 Feasibility 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 Feasibility Study.

2.5 PROJECT FUNDING SOURCE

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$2,370,000.

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 (Palau) for up to 30 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: BUREAU OF PUBLIC WORKS, MINISTRY OF PUBLIC INFRASTRUCTURE AND INDUSTRY

Proposals shall be submitted exclusively in electronic form, via e-mail attachment(s) to Mr. Calvin Ikesiil, Director, Bureau of Public Works, Ministry of Public Infrastructure and Industries, at ropcip22@gmail.com. Electronic copies (in English, PDF files preferred) of your proposal must be received at the above e-mail address no later than 11:00 PM local time in Ngerulmud, Palau, on September 1, 2025. Offerors shall not use file hosting services or external links for electronic submission. The maximum attachment size is 50 MB, so if the files are larger than 50 MB, please send multiple e-mails.

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 by 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 Terms of Reference 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 Terms of Reference as written; and (3) the Offeror has the capacity to fully complete the Terms of Reference. Per the terms of the contract, any modifications to the Terms of Reference 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 Terms of Reference for the Feasibility Study or the USTDA Mandatory Contract Clauses. USTDA reserves the right to audit the books, records, and other documentation for the Feasibility 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\$2,370,000 which is a fixed amount.

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Firm Background Information,
- U.S. Firm Information Form,
- Organizational Structure, Management Plan and Key Personnel,
- Technical Approach and Work Plan, and
- Experience and Qualifications.

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 Feasibility 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 Feasibility 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.

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.

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 Feasibility 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 Feasibility 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.

As many as possible but not more than six (6) relevant and verifiable project references 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),
Client contact person (name/ position/ current phone and fax numbers),
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 Feasibility Study as described in this RFP.

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 31, 2025. The email subject line must read: "RFP Question: Belau National Hospital Relocation Feasibility Study; 2025-31001A." Questions received by any other means shall not be accepted.

Section 4: AWARD CRITERIA

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors. 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:

1. Technical Experience of Personnel (50 points):

- Relevant technical experience of proposed personnel related to the Project, specifically in the following areas (30 points):
 - Managing feasibility studies for new hospital construction;
 - Defining clinical system and facilities needs in a hospital setting;
 - Designing hospitals;
 - Managing interdisciplinary teams on similar studies;
 - Drafting bankable studies on project feasibility;
 - Building financial models for a hospital; and
 - Working on environmental and social impact studies for medical projects, including experience leading such studies.
- Academic and Professional qualifications of proposed personnel (10 points)
- Experience in the Pacific Region, including the Pacific Islands, U.S Pacific Territories, and/or Hawaii. (10 points)

2. Technical Experience of Offeror (30 points):

- Firm experience performing feasibility studies (or similar studies) for hospital projects (10 points);
- Firm experience designing hospitals in emerging markets (10 points); and
- Firm experience designing buildings in the Pacific Region, including the Pacific Islands, U.S Pacific Territories, and/or Hawaii. (10 points)

3. Technical Approach and Work Plan (20 points):

- Adequacy, soundness, and thoroughness of the Offeror's proposed Technical Approach and Work Plan.

Proposals that do not include all requested information shall be considered non-responsive.

Price will not be a factor in contractor selection.

APPENDIX 1

PROJECT SYNOPSIS

Palau: Belau National Hospital Relocation Feasibility Study

Palau's Ministry of Public Infrastructure and Industries ("MPII") invites submission of qualifications and proposal data (collectively referred to as the Proposal) from interested U.S. firms that are qualified based on experience and capability to conduct a feasibility study ("FS") related to the construction of a new modern hospital with a capacity of 120 to 150 beds, designed to meet both current and future healthcare needs (the "Project") in the Republic of Palau. The Proposal submission deadline is Monday, September 1 at 10:00 AM D.C. Time | 11:00 PM Ngerulmud, Palau Time. The U.S. firm selected will be paid in U.S. dollars from a \$2,370,000 grant to MPII from the U.S. Trade and Development Agency.

About the Grantee

The Grantee is MPII, a government entity which oversees Palau's key infrastructure development, management and maintenance efforts through various bureaus under its purview, such as the Bureau of Public Works ("BPW"), the Bureau of Aviation, and the Bureau of Marine Transportation and the Bureau of Lands & Surveys. BPW, in particular, is responsible for managing critical services like waste management, and the maintenance of public facilities and roads, and will oversee the activity's progress.

Project Background

Palau is a small archipelago composed of 340 islands in the Western Pacific Ocean. The major populated islands include Babeldaob, Koror, Airai, and Peleliu, though about 70% of the country's population is concentrated in Koror. One of Palau's most pressing infrastructure challenges is Belau National Hospital ("BNH"), the only hospital serving the country. The hospital is struggling with numerous challenges, including overloaded emergency services, a shortage of physicians, and the relentless wear and tear on its facilities due to the harsh coastal environment. Palau's President, Surangel Whipps Jr., has designated the relocation and modernization of BNH as one of the top priorities under Palau's National Infrastructure Investment Plan. The goal is to relocate the hospital to a safer inland site and build a robust infrastructure to withstand the challenges that come with Palau's tropical conditions. Additionally, the new hospital will be a modern healthcare facility that can offer comprehensive services, including specialty care like oncology, neurology, and advanced emergency care, all of which are currently unavailable in Palau.

About the Feasibility Study

The FS will focus on evaluating three shortlisted sites for potential relocation in detail, considering environmental, technical, and economic factors. In addition to identifying the ideal location, the FS would also support 30% of the engineering and architectural design for the new hospital to accommodate 120 to 150 beds and offer additional advanced medical services domestically. The FS will involve working closely with Palauan stakeholders to assess the current hospital's capabilities and identify the specific needs in terms of facilities, equipment, and staffing for the new hospital. Additionally, the FS will provide capital and operating cost estimates alongside financial models that project both the initial investment and long-term sustainability of the hospital.

APPENDIX 2

PORTIONS OF BACKGROUND DEFINITIONAL MISSION REPORT

Project Description

Palau is an archipelagic island cluster in the Western Pacific at the western end of the Caroline Islands. The country is a sovereign nation under a Compact of Free Association (CoFA) with the United States of America (U.S.). Palau is small (177 square miles in land area and about 18,000 citizen residents plus a similar number of guest workers).

Belau National Hospital (BNH) is the country's only hospital and requires relocation. As President Surangel Whipps, Jr. describes it, "The hospital is subject to flooding during storms, leading to mold situations that exacerbate respiratory illnesses for both staff and patients. Increased storm frequency and severity, combined with rising sea levels, make it a high public health risk." The single hospital servicing the country is in disrepair and vulnerable to environmental stresses because of its location on a bay, accessible by only one sea-level route.

BNH (Figure 1), an 80-bed hospital with a surge capacity of 120 beds, is located on Meyungs Island, Koror State, only several hundred feet from the sea on its southeast side and a mere forty to fifty feet from the water on its northwest side, at a few feet above sea level. The only vehicular access to the hospital is by a single causeway from Koror Island. Further, because the small population of the nation limits the range of economically feasible healthcare capabilities, patients are routinely airlifted to the Philippines, Taiwan, and Hawaii for specialty care, such as oncology, neurology/neurosurgery, and acute cardiac, ophthalmologic, and orthopedic care. Palau's only airport is on Babeldaob, the neighboring island north of Koror, accessible from Koror only by another causeway or boat (we observed no helipad at the site).

Figure 1: Belau National Hospital¹



The construction of the existing hospital began in 1988, with operations commencing in 1994, rendering the hospital 30 years of age in 2024. BNH is situated on a roughly 55,000 square meter plot of land about 1.2 miles (or a two-minute vehicle ride) from Koror center, the country's largest

¹ BNH Brochure

population area. The hospital is a one-story building with Spanish-tile roofing over the interiors and elastomeric roofing² covering the exterior walkways. The structural system is cast-in-place³ concrete slab on grade with precast⁴ concrete columns, beams, and roof planks. In addition, several additional buildings are on site, such as one housing the behavioral health ward, which appears to be wood framed and aging poorly.

Specific vulnerabilities of the current hospital concerning the delivery of healthcare in Palau include:

- Deteriorating infrastructure;
- Outdated major systems equipment, such as oxygen generation and the steam boiler;
- Obsolete building fixtures and systems;
- Lack of preventive and routine maintenance;
- Insufficient maintenance budget;
- The existing design and site limit expansion, provide inefficient space usage, and complicate service delivery;
- Site-related severe weather, disaster, and related risk factors;
- Poor accessibility for non-Koror residents; and
- Meyuns causeway (the sole vehicle access route) vulnerable to natural disasters.⁵

In 2022, the U.S. Department of Interior and Army Corp of Engineers conducted a maintenance assessment of BNH.⁶ The report concluded that Palau's tropical environment (monthly mean temperatures of 82 degrees, average humidity of 82 percent, susceptibility to tropical storms and typhoons, and heavy annual rainfall of 150 inches) combined with the facility location proximal to the ocean's corrosive environment, have caused significant water infiltration, mold, soil erosion, flooding, and structural deterioration, compromising the existing hospital facility.

Recognizing the urgency of the situation, President Whipps has identified the new hospital project as one of his top three large-scale infrastructure projects. Palau's new national development plan also prioritizes the construction of a new facility. Other Palauan leaders have underscored the need for a new hospital and expressed strong support for the project. Unlike the other two large-capital priorities (extending the runway at the main airport and refurbishing the main seaport, both of which have military uses), a new hospital enjoys widespread public support and is relatively non-controversial.

An Executive-ordered BNH Relocation Committee has conducted preliminary evaluations of possible new hospital sites and designs. The Committee has narrowed from 14 (including the

² Elastomeric roofing is flexible and stretchy, like rubber, and typically provided in roll form. Such roofing is often used on flat or low-sloped roofs and applied using adhesive to create a waterproof seal between the building and roof, allowing roofing expansion and contraction with temperature changes while maintaining the necessary moisture seal.

³ Cast-in-place concrete is poured into forms at the building site.

⁴ Precast concrete is poured into forms and set offsite. Once cured, the elements are transported to the building site.

⁵ Compressed_BNH Relocation Committee Report Presentation.pdf

⁶ MEDICAL FACILITY MAINTENANCE ROOT CAUSE ANALYSIS, SITE REPORT: BELAU NATIONAL HOSPITAL, MARCH 2022 U.S. ARMY CORPS OF ENGINEERS, HONOLULU DISTRICT DEPARTMENT OF INTERIOR, OFFICE OF INSULAR AFFAIRS Contract No: W9128A19D0002 / Task Order No: W9128A20F0008

existing location) and preliminarily selected three potential sites for the new hospital. The Committee selected these sites based on a set of criteria that include, but are not limited to, the government's existing ownership of land; site development costs; distance to provinces; economic benefits; natural disaster risks, and national strategy (the Government of Palau seeks to move the population way from Koror to reduce overcrowding and address real state costs and shortage on the island).⁷ The DM consultant did not have access to the full list of criteria.

Table 1 compares the prospective new locations.

Table 1: Locations and Site Considerations for the New Palau Hospital

| Proposed Sites for New Hospital | | | |
|---------------------------------|--|--|---|
| Site Name | Koror | Arai (Ngeruluoebel) | Ngatpang (Kokusai) |
| Location | Asahi Ballfield Area | Babeldaob west coast | Babeldaob west coast |
| Land Area (m ²) | 156,000 | 250,000 | 156,000 |
| Distance - Koror center* | 0.3 mile/1 minute | 5.3 miles/9 minutes | 12 miles/22minutes |
| Estimated Cost, \$ million | TBD | TBD | TBD |
| Potential Benefits | <ul style="list-style-type: none"> • Full utility access or nearby • Accessible by majority of Palau's population • Most developed site, requiring least amount of land clearance and site development • Most potential access roads to site | <ul style="list-style-type: none"> • Reasonable access to existing utility system grids • Largest land area size of all identified sites • State Government Resolution • Land Certificate of Title • Near airport, increase benefits of medivac | <ul style="list-style-type: none"> • Most accessible by Babeldaob residents • No historical sites on identified land • Close proximity to Compact Road • State Government Resolution • Land Certificate of Title |
| Potential Deficiencies | <ul style="list-style-type: none"> • Area includes private land / requires resident relocation • No Land Certificate of Title • Area already congested • Traffic, especially during school year | <ul style="list-style-type: none"> • Area may include private lands • Site preparation (leveling) may be significant. • Requires well water, potable water plant and WW treatment plant. Water project underway, but schedule uncertain. • Steams crossing the site could indicate higher flooding risk • Largest site clearing needs • Access road needs to be built • Risk that geotechnical testing may be restricted from accessing due to distance from road | <ul style="list-style-type: none"> • Least accessible by Koror residents • Limited access to existing utility system grid • Requires well water, potable water plant and WW treatment plant. |

*Travel times assume vehicular travel at 35 miles per hour

The concurrent preliminary hospital services concept study conducted by the BNH Relocation Committee as part of the Presidential Executive Order 461 explored three different operational models⁸:

1. All-inclusive (current and most costly);
2. General plus acute care; and
3. Acute and specialty care, both of which require expanding community health center care throughout the country.

⁷ Compressed_BNH Relocation Committee Report Presentation.pdf plus Palau interviews

⁸ Compressed_BNH Relocation Committee Report Presentation.pdf

Table 2 describes the hospital service concept alternatives as currently envisioned.

Table 2: Preliminary Hospital Service Concepts for the New Palau Hospital⁹

| Hospital Service Concept | All-Inclusive | General Acute Care | Acute Care and Specialty |
|--------------------------|--|---|--|
| Description | Hospital design that allows for the delivery of Primary and Preventative Health, Secondary/Acute Care, and limited Tertiary Care | Hospital design that allows for acute/short-term care and hospitalization | Hospital design that allows for acute/short-term care and hospitalization and allows for more specific areas of medicine (e.g., orthopedic, oncology, etc.) that are not currently available |
| Benefits | Centralized accessibility | Less expensive model; Allows public health and primary care services to be more decentralized and accessible. | Allows for availability of specialty services not currently available in Palau |
| Challenges | Expensive to operate; Requires additional space | Requires extensive service delivery planning and adjustment from the current operating model | Requires specific design components; May need constant retrofitting based on clinical developments |

Believing that outside assistance is required to advance planning from the preliminary work, the Government of Palau, under the auspices of President Whipps, seeks to conduct a Feasibility Study (FS) to determine the specifics (location, scale, services, staffing) for a new hospital to replace BNH and expand healthcare capabilities for Palauan residents and visitors.

Palau Hospital Capabilities Detail – As Is and To Be

Table 3 describes current BNH capabilities and highlights **desired** additional features for the new Palau hospital as of the preliminary planning phase. The FS will evaluate and define more clearly the features required and associated economic implications.

Table 3: Palau Hospital Capabilities: BNH (As Is) and New Hospital (To Be)

| | BNH Current | Desired New Hospital |
|------|--|--|
| Area | 55,000 sq.m. (land) 13,000 sq. m. (building) Medical equipment in hallways | 156,000-250,000 sq.m. (land) 20,000 sq. m. (building) est. Add storage for medical equipment Add operating theaters Add private and semi-private rooms |

⁹ BNH Relocation Committee Report Presentation.pdf

| BNH Current | | Desired New Hospital |
|--------------------------------|---|---|
| | | Expand laboratory Expand cafeteria Add areas for training, physician rest/showers, expat living quarters Add parking – 200 cars capacity |
| Beds | 80/87 (surge to 120) | 80-120 (surge to 150) |
| Medical (MD) Care Capabilities | Internal Medicine Pediatrics Radiology Emergency Medicine Obstetrics & Gynecology (OBGYN) incl. surgery General Surgery High-level Surgery Anesthesiology Psychiatry <i>On rotation/contract:</i> Orthopedics Ophthalmological surgery (cataracts and laser), Urology | Existing capabilities plus: Cardiology Dermatology Ear, Nose, Throat (ENT) Endocrinology Gastroenterology Neurology Oncology Ophthalmology Orthopedics Pathology Pulmonology |
| Other Capabilities | Hyperbaric chamber Hemodialysis Laboratory Pharmacy | Existing capabilities plus: Expanded/upgraded laboratory Expanded hyperbaric capability Nuclear and chemical decontamination |
| Other Medical Care | Dialysis | Existing care plus: Burn unit Sterilization to prevent infection Chemical and nuclear decontamination Hospice Public Health Clinic |
| Location | Koror | TBD |
| Surgical Capabilities | 2 General Operating Theaters 1 OBGY (partially outfitted, not used) | 4 Operating Theaters, of which one held for emergency use |
| Radiologic Capabilities | Various X-Ray CT Scanner MRI | TBD |
| Emergency | 24/7 but small | Double space/capacity |
| In-Patient | Mixed gender wards No dedicated pediatric ward Few private rooms | Separate gender wards Add dedicated pediatric ward Add private, semi-private, and isolation rooms |
| Isolation | Minimal | Add capability |
| Unique Facility Considerations | Back-up power and water (3-month ability) 70% central air conditioning (AC) Independent patient ward/office AC | TBD |

| BNH Current | | Desired New Hospital |
|-------------|--|----------------------|
| | Electronic Medical Record system Telehealth external consultation (e.g., Shin Kong Hospital, Tripler Army Medical Center) | |
| Staffing | 229 dedicated, remainder on-call, part-time | TBD |

Palau Healthcare Considerations

Palau's population is 18,051, projected to decline to about 14,000 by the century's end. A similar number of non-citizen temporary workers also inhabit the country and participate in all sectors of the economy. Koror hosts just under 2/3 of the population, with Arai hosting about 15 percent. No other state hosts more than 500 citizens. The small population challenges providing the necessary skilled medical and hospital operations/maintenance staffing, something a larger hospital may further exacerbate.

The local population is aging as younger citizens migrate, and the birth rate falls, resulting in a greater need for noncommunicable disease care such as cardiac, oncology, and diabetes management. Obesity is a widespread health risk (40 percent of men and 45 percent of women). Dialysis delivery has doubled within the last decade, and demand continues growing despite some patient resistance. A younger population segment (40 years of age and up) increasingly requires cardiac and neurological care for heart attacks and strokes.

Palau is renowned as a global diving paradise, necessitating specialty care such as hyperbaric chambers for decompression. Palau emergency care is limited and overwhelmed, with BNH offering the only site for emergency care on nights and weekends. During business hours, four clinics offer some emergency support. BNH is the only domestic trauma center. Limited isolation capabilities make challenging the treatment of infectious diseases, such as tuberculosis and Hepatitis A, and raise concerns for possible outbreaks of other infectious diseases, such as Ebola.

Currently, medical services that Palau is unable to provide domestically are supplied by visiting, contracted physicians (e.g., Taiwan Hospital for OBGYN and ophthalmologic surgery, Shriners for pediatrics, and Tripler Army Medical Center for urology) or require patients to be airlifted to other countries with broader healthcare services, such as the Philippines, Taiwan, and the U.S. (Hawaii). Off-island medical costs consume about \$3 million annually; therefore the urgent need to expand domestic medical care services and capabilities.

APPENDIX 3

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



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 Palau Ministry of Public Infrastructure and Industries (the “Grantee”). USTDA and the Grantee are each referred to herein as a “Party”, and collectively as the “Parties”. USTDA agrees to provide to the Grantee subject to the terms and conditions of this Grant Agreement, two million three hundred seventy thousand United States Dollars (US\$2,370,000) (“Grant Funds”) to fund the cost of services required in connection with the preparation of a feasibility study (the “Activity”) related to the proposed relocation and construction of the new Belau National Hospital (“BNH”) located in the Republic of Palau (the “Host Country”) to meet the current and future healthcare needs of the country (the “Project”).

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 a needs assessment, site assessments, the development of hospital design options, a workshop for the selection of the conceptual design, a conceptual and budgetary design, a cost estimate, a sources of financing plan, preliminary environmental and social impact assessment, regulatory review, U.S. sources of supply report, development impact assessment, and an implementation plan. The Grantee shall include as Annex I to the Contract the Terms of Reference attached hereto as Annex I.

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 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 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, and (c) 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 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.

(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 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

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

- (A)** All legal entities who perform any part of the Activity as the Contractor or a Subcontractor shall be U.S. Firms.
- (B)** All natural persons who perform any part of the Activity as the Contractor or a Subcontractor, or as an employee of the Contractor or of a Subcontractor, shall be either (i) U.S. citizens, or (ii) non-U.S. citizens lawfully authorized to work, or admitted for permanent residence, in the United States.

- (C) Notwithstanding the provisions of Articles (A) and (B) above, up to thirty percent (30%) of the Grant Funds may be used to pay for work performed in connection with the Activity by:
- (1) any Subcontractor organized under the laws of either (i) the Host Country or (ii) any Target Country; and
 - (2) any natural person working as (a) a Subcontractor, or (b) an employee of the Contractor or of a Subcontractor, as long as such natural person is either (i) a citizen of the Host Country or a Target Country, or (ii) lawfully authorized to work, or admitted for permanent residence, in the Host Country or a Target Country.
- (D) Except for goods and services incidental to Activity support (*e.g.*, local lodging, food and transportation in the Host Country or a Target Country), goods purchased for the performance of the Activity and associated delivery services (*e.g.*, international transportation and insurance) shall have their nationality, source and origin in the United States.
- (E) “U.S. Firm” means either (1) or (2) below.
- (1) A private-sector for-profit legal entity or partnership organized under the laws of the United States, with its principal place of business in the United States, and which satisfies either (a) or (b) below.
 - (a) It is more than fifty percent (50%) owned or controlled by (i) U.S. citizens, (ii) non-U.S. citizens lawfully authorized to work, or admitted for permanent residence, in the United States, or (iii) any combination of (i) and (ii) of this sentence.
 - (b) It (i) has been organized under the laws of the United States for more than three years prior to either (x) the date on which the initial proposal in respect of the Activity is received by USTDA, or (y) 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 United States for such three- 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 United States to perform the work in question.
 - (2) A nonprofit organization that is organized under the laws of the United States and managed by a governing body, a majority of whose members are (i) U.S. citizens, (ii) non-U.S. citizens lawfully authorized to work, or admitted for permanent residence, in the United States, or (iii) any combination of (i) and (ii) of this sentence.

- (F) “Target Country” means a country, other than the Host Country, (i) that is an integral part of the Project’s scope and (ii) whose local labor is required for work to be performed in connection with the Activity. A Project may have one or more Target Countries.

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 the Minister of Public Infrastructure and Industries or the Director of the Bureau of Public Works 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: Hon. Charles Obichang
Title: Minister of Public Infrastructure and Industries
Address: P.O. Box 6051
Koror, Palau 96940
Phone: +680 775-1131
Email: melairei@gmail.com

(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 24/25 1001
Activity No.: 2025-31001A
Reservation No.: 2025003
Grant No.: 1131PL25GH31003

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 non-material 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

(A) 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.

(B) 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 following such determination without the need for any further action or notice on the part of either Party unless USTDA delivers written notice 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.

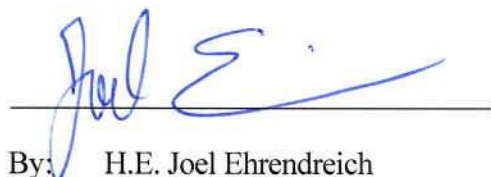
22. Counterparts; Language

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:


By: H.E. Joel Ehrendreich

Title: U.S. Ambassador to the Republic of Palau

Date: 10/23/2024

For the Palau Ministry of Public
Infrastructure and Industries:


By: Hon. Charles Obichang

Title: Minister of Public Infrastructure
and Industries

Date: 10/23/24

Annex I – Terms of Reference

Annex II – USTDA Mandatory Contract Clauses

Annex I

Terms of Reference

These terms of reference (“Terms of Reference” or “TOR”) set forth the terms, conditions, provisions, and specifications for the performance of the Feasibility Study (the “Activity”) for the benefit of the Palau Ministry of Public Infrastructure and Utilities (the “Grantee,” or “Client”) related to the proposed relocation and construction of the new Belau National Hospital (the “Project”) located in the Republic of Palau (the “Host Country”). The Client will select a U.S. Firm (the “Contractor”) to perform the Activity in accordance with these Terms of Reference.

The Grantee has been awarded a USTDA grant to fund the costs for a detailed feasibility study to evaluate the development of a new full-service hospital in Palau to replace the existing Belau National Hospital (“BNH”) in Koror, Palau. The Activity’s scope is to evaluate the need, proposed sites, design concepts, environmental and climate resilience aspects, and the economic and financial viability of developing the Project. Site assessments, including geotechnical evaluation, environmental impact, and climate resilience assessment, shall be considered in the scope.

BNH opened in 1994 and is the sole hospital serving Palau. It is an 80-bed facility that provides primary, secondary, and limited tertiary clinical care to Palauan citizens, temporary workers, and tourists. However, since opening, BNH has faced numerous challenges, including overloaded emergency services, a shortage of physicians, and the relentless wear and tear on its facilities due to the harsh marine environment and climate change effects.

Recognizing the urgent need to address these challenges, the Palau government has designated the relocation and modernization of BNH as one of the top priorities under Palau’s National Infrastructure Investment Plan. In 2021, a committee was formed by Presidential Executive Order 461 to evaluate potential new locations, financing, and sustainability for relocating BNH. The Hospital Replacement Committee (“Committee”) has defined the requirements for the new hospital, which should be taken into consideration during the Activity. Additional discussions with medical staff resulted in the following recommendations for the new hospital:

- Adequate operation rooms to accommodate new technologies and medical equipment;
- Expansion of negative pressure isolation rooms;
- A larger laboratory department to accommodate all new laboratory technologies and major medical equipment, including blood storage and blood components separation;
- A dedicated biosafety laboratory;
- Adequate and appropriate space for a hyperbaric oxygen chamber for dive accident decompression sickness, oxygen therapy, and infected wound care;
- Expansion of treatment capabilities for hemodialysis and GI diagnostics;
- Expansion of wards, including separate wards for men, women and children;
- Dedicated hospice and elder care;
- Telehealth infrastructure;
- An expanded supply warehouse with adequate cooling system;
- Dedicated storage space for equipment with proper and adequate cooling system, adequate space for hazardous waste management;

- Adequate parking spaces that include disability access, space for bicycle racks and mopeds/motorcycle parking;
- Environmental health facilities with a dedicated laboratory;
- Incorporation of workers lounges into the overall structure;
- Accommodations for foreign temporary contractor workers at the hospital site with a training center capacity of 50 to 75 people;
- Cafeteria for employees, patient attendants, and guests;
- Dedicated and adequate space for servers (information communication technology related);
- Facility to be disability accommodating (doors auto open, ramps, parking, bathrooms, etc.);
- Behavioral and mental health wards increase for additional bed space;
- Dedicated lounge for physicians, including sleep spaces;
- Suitable morgue space; and
- Method for managing medical wastes (possibility of incineration or off-site management).

The Committee has selected three potential sites for assessment for the construction of the new hospital as part of the Activity requirements.

The effort also includes defining how to improve the hospital's physical infrastructure and treatment capabilities and assessing the availability of medical staff to support these added capabilities.

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 with a draft version of the Deliverable for each Task 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 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 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.

Task 1: Document Review, Kickoff Meeting, Site Visits, and Work Plan

Subtask 1.1 Document Review

Within one week of USTDA's approval of the executed Contract, the Client shall provide the Contractor with the information relevant to the Project and available for disclosure in the Client's possession, including but not limited to previous studies, agreements, discussion notes, correspondences, memos, Project files, discussions with the medical and Ministry of Health authorities, discussions with potential donors/partners/investors, and site data (all documents collectively, the "Initial Data Package").

The Contractor shall review the Initial Data Package, as provided by the Client, and determine the extent to which the information can adequately provide the basis for the subsequent Tasks of the Activity. The Contractor shall identify any gaps in such existing information. The Contractor and the Client shall mutually agree to the procedures, responsible party, and timeframe for addressing the information gaps.

Subtask 1.2 Work Plan

The Contractor shall develop a work plan (the “Work Plan”) and submit it to the Client within two weeks of USDA’s approval of the executed Contract, unless the Client and Contractor mutually agree to an alternative timeframe. The Work Plan shall include the Contractor’s approach and methodology, proposed timelines for each specific Task in these Terms of Reference, documentation and project management, reporting requirements, milestones, and workflow arrangements. The Contractor and the Client shall mutually agree to the procedures and timeframe for addressing any gaps in the Work Plan and avoiding delays in the completion of the Activity.

Subtask 1.3 Kickoff Meeting

Within two months of USDA’s approval of the executed Contract with the Client, the Contractor shall travel to Koror, Palau for the kickoff meeting. The Contractor shall meet with the Client to engage in a kickoff meeting to review, discuss, and refine the overall strategy, objectives, and Deliverables of the Activity and to define and clarify the Client’s and Contractor’s roles and responsibilities with respect to the Activity, as well as the Client’s short and long-term objectives for the Project. Contractor team members participating in the kickoff meeting shall include the Project Manager and subject matter expert(s) needed to accomplish the elements of this Task effectively. During the kickoff meeting, the Contractor shall review the Work Plan with the Client and make any necessary adjustments as mutually agreed upon by the parties. The Client shall provide the Contractor with a list of its chosen delegates for the meeting at least three days prior and is responsible for inviting them.

Subtask 1.4 Site Visits

During the visit to Palau, the Contractor shall visit the three proposed sites and the existing hospital site to understand and compare each site’s basic condition, location, access, environmental condition, and topography. The site visits shall allow the Contractor the opportunity to incorporate specific site issues in the Work Plan and to assess specific site issues to be addressed in the site assessments in Task 3. The Client shall accompany the Contractor on the site visits to assure access and answer specific site questions. The Contractor shall prepare a brief “Site Visits Report” defining major concerns and site assessment requirements.

Task 1 Deliverables: The Contractor shall prepare and deliver to the Client 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:

- Work Plan;
- Summary of the Initial Data Package;
- Site Visits Report; and
- Summary of any remaining data and information gaps.

Task 2: Needs Assessment

The Contractor shall prepare a “Needs Assessment” for replacing the BNH. The Needs Assessment shall include an analysis of the existing hospital and its capabilities, as well as meetings with key stakeholders in the Government of Palau and hospital administration to define the requirements for the new hospital. To assess the needs, the Contractor shall evaluate:

- Current hospital data capacity data, including the number of beds (in-patient, isolation, ICU, recovery, emergency room, etc.), number of outpatient and in-patient visits (annual, daily maximum), number of patients admitted per year, average length of hospital stay, and average capacity utilization (e.g., percent of beds typically occupied);
- The scope of services for the current hospital;
- The services shortfalls that could be included in the new hospital;
- The medical specialties that are not currently available that the stakeholders propose for the new hospital;
- The numbers and types of MedEvac-ed cases to the Philippines and Taiwan annually (e.g., number of heart and kidney transplants, neurosurgery, etc.), including the patient impact, survival rates, and costs;
- The anticipated changes in patient load/service delivery over the next ten years (e.g., increasing/decreasing versus current, to what degree, drivers of the change, identification of services/specialties projected to substantially increase and decrease in demand);
- Unique medical requirements in Palau (e.g., hyperbaric chambers) due to genetics, average patient age, environment, or cultural considerations; and
- How the new hospital may change the number/services of other Palau medical treatment centers, especially primary care clinics.

The Contractor shall define the facility, equipment, and staff needs for the new hospital, including:

- The total area (square feet or meters) required for the new hospital.
- Any unique/specialized facility requirements to provide the anticipated new treatment and services capabilities (e.g., additional laboratory, diagnostic, and treatment spaces, number of new ICU beds, number of new hospice beds, specialized building systems such as air management, HVAC, electrical, and security, for example specialty windows and access management for the psych and any memory care wards).
- Inventory of equipment for the hospital, including physical plant, operations/general management (including hospital enterprise resource planning software, electronic health records/telemedicine), patient treatment/medical capital equipment (diagnostics, surgical treatment, nonsurgical treatment), supporting services, patient housing/monitoring.
- The new facility’s medical staff requirements (number and type), including physician specialties, nurses, technologists, and support staff.

Task 2 Deliverable: The Contractor shall prepare and deliver to the Client 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 Needs Assessment.

Task 3: Site Assessment

Subtask 3.1 Site Assessment

The Client has identified three possible site locations for the Project. The Contractor shall evaluate each site and recommend the most promising site and a backup site for further evaluation and final selection by the Client and other Host Country stakeholders. The Client shall ensure each site is accessible so the Contractor can conduct site investigations and surveys.

The Contractor's site evaluation shall include but not necessarily be limited to:

- a) Land availability and ownership;
- b) Availability and suitability of existing infrastructure;
- c) Site conditions, including topography, waterways, and flood potential;
- d) Site preparation costs;
- e) Water and sewer availability/proximity;
- f) Power supply/proximity;
- g) Designated space for major assets (boats, garbage trucks, water tanks, etc.) recommended to be under a roofed area;
- h) Road access, distance to large population centers, and traffic assessment;
- i) Environmental and cultural sensitivity;
- j) Potential climate change impact;
- k) Neighbors; and
- l) Suitability for a heliport.

Based on the site visit, the Contractor shall review the site conditions, availability of utilities, and site infrastructure with the Client, as well as the suitability of sharing utility sources and supporting infrastructure with the neighboring complexes. In addition, the Contractor shall request any other site data, such as local power, water, and sewer, to define the need for utility buildout to support the Project.

The Contractor shall prepare an analysis of the three sites, defining their specific site characteristics, available utilities, site development requirements, accessibility for patients and workforce, and environmental sensitivity. The Contractor shall also define its selection methodology, ranking system, and selection rationale for both the most promising and back-up site.

Subtask 3.2: Climate Resilience Assessment

The Contractor shall assess the likely impact of climate change on the technical, commercial, and environmental viability of the Project implementation. The Contractor shall base its methodology on guidelines for climate resilience analysis recognized by international organizations such as the World Bank's Resilience Rating System¹ or the Asian Development Bank's ("ADB") Climate

¹ <https://documents1.worldbank.org/curated/en/701011613082635276/pdf/Summary.pdf>

Risk Management Framework.² At a minimum, the Contractor shall analyze the following potential climate change impacts on the Project's viability:

- Increased variability of rainfall and wind;
- Sea-level rise, coastal erosion, storm surges, and ocean acidification;
- Increased frequency of extreme weather events; and
- Increased temperature.

The Contractor shall recommend a strategy for mitigating the identified impacts of climate change. For the Project implementation, the Contractor shall catalog the expected emissions of greenhouse gases ("GHG") and define likely increases and decreases in GHG formation and emission.

Subtask 3.3 Site Surveys and Evaluation

The Contractor shall perform all relevant surveys such as, but not limited to, topographical surveys, geotechnical assessments, hydrology studies, and flood assessments. The Contractor shall develop the scope for each of these studies to meet international standards. The Contractor shall collect and assess site condition data, including supporting infrastructure availability and the results from the surveys needed to complete conceptual civil design, layout optimization, and facilitate the Project's final design. The Contractor shall be responsible for obtaining services from qualified subcontractors if necessary to complete the site surveys, recognizing that services may not be readily available in Palau.

The Contractor shall prepare specifications for each assessment and present it to the Client for approval. The Contractor shall be responsible for mobilizing leased equipment³ and personnel to complete these Tasks, recognizing that local capabilities may be minimal.

The Contractor shall incorporate the International Building Code and best practices in defining the survey requirements. The Contractor shall also be aware of the soil conditions in Palau and incorporate best practices regarding seismic activities in their survey methodologies. The Contractor is expected to drill a minimum of six and a maximum of ten boreholes to ten meters of bedrock on the preferred site. The drill holes shall be placed within the likely footprint of the hospital building.

The Contractor shall evaluate the results of the site surveys and recommend actions to support the site as the most appropriate site. If the site proves to be unsuitable, the Contractor shall identify this as soon as possible and submit its concerns to the Client and USTDA in writing immediately.

The topographical survey shall be compliant with the International Building Code and the Republic of Palau requirements and shall include the following at a minimum:

² <https://www.adb.org/sites/default/files/publication/458756/adb-climate-risk-assessments-info-sources.pdf>

³ If the Contractor determines that it must transport leased equipment to Palau to complete the Terms of Reference, the Contractor shall ensure it does so in compliance with the Mandatory Contract Clause on U.S. Carriers, specified at Annex II Clause E of the Grant Agreement and the Contract. In the event that the Contractor is unable to obtain the transportation services of a U.S.-flagged vessel at a fair and reasonable rate, the Contractor shall obtain USTDA's written authorization and provide USTDA with reasonable documentation of that fact prior to utilizing any non-U.S.-flagged vessel.

- Introduction and background;
- Site conditions;
- Survey methodology;
- GPS control points and positioning;
- Survey data;
- Survey area features; and
- Topographical maps scaled at 1:1,000, and/or 1:5,000, as agreed with the Client.

The soils and geotechnical survey assessments shall be compliant with the International Building Code and the Republic of Palau requirements and shall include the following at a minimum:

- A detailed plot plan indicating locations of the soil investigation;
- A complete record of the soil borings, penetration test logs, and soil samples;
- A record of the soil profile;
- Elevation of the water table if encountered;
- Recommendation for foundation type, design criteria including bearing capacity of natural and compacted soil, provisions to mitigate the effects of expansive soils, mitigation of effects of liquefaction, differential settlement, and varying soil strength, and effects of varying loads;
- Expected total and differential settlement;
- Deep foundation information;
- Special design and construction provisions for foundations of structures on expansive soils, as needed;
- Compacted fill material properties and testing results;
- Controlled low strength materials properties and testing results; and
- Seismic design criteria and recommendation.

Task 3 Deliverables: The Contractor shall prepare and deliver to the Client 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:

- Site assessment;
- Climate resilience assessment; and
- Relevant site surveys.

Task 4: Design Options

The Contractor shall prepare at least three, and no more than five, suitable hospital design concepts based on the needs analysis results for medical facilities of similar size and complexity built in greenfield areas. The design options shall also be based on discussions with hospital stakeholders, including the hospital administration and officials from the Government of Palau. The design

options shall include conceptual designs, including plan and elevation drawings, 3D exterior renderings, general arrangement drawings, and floor plan drawings. Structural or detailed design-build drawings are not required as part of the Activity. The Contractor shall prepare five separate design concept packages for review by the Client and the Committee.

The Contractor shall develop the concept designs primarily focusing on productivity, economy, and functionality, with design elements secondary to these.

The Contractor shall prepare order-of-magnitude estimates of the building cost for each alternative, define the pros and cons of each design concept, and explain its rationale for recommending each design concept.

Task 4 Deliverables: The Contractor shall prepare and deliver to the Client 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:

- Design option concepts and drawings; and
- Comparison of economic, operational, and maintenance pros and cons.

Task 5: Conceptual Design Selection with the Client

The Contractor shall schedule a workshop with the Client and the Committee to present the design concepts in a workshop setting in Palau. The Contractor shall allow for an up to two-day hospital design selection working session for up to approximately 15 attendees in a location mutually agreed with the Client, such as a local hotel. The Contractor shall be responsible for hosting the workshop and arranging logistics.

The Contractor shall submit the design renditions to the Client and Committee at least seven days in advance of the meeting in a format suitable for multiple users to access.

It is expected that the first day of the workshop will be comprised of a presentation by the Contractor and a group discussion of the design options. The second workshop day may be spent selecting the preferred design option.

The Contractor shall poll the attendees to define the most acceptable design concept. If none of the designs are approved, the Contractor shall prepare an alternative design based on feedback from the stakeholders.

The Contractor shall submit the revised concept design to the Client team for comment and approval. The Contractor shall record any concerns expressed by the Client team.

The Contractor shall be prepared to present the final agreed concept design to the President of Palau and his/her Ministers as appropriate. USTDA and U.S. Embassy staff shall be notified of the proposed dates and be invited to the presentation if confirmed.

Task 5 Deliverables: The Contractor shall prepare and deliver to the Client 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:

- Workshop presentations and summary; and
- The preferred design.

Task 6: Conceptual and Budgetary Design

The Contractor shall prepare a conceptual and budgetary design (AACE level 3) for the hospital, including a site plan, elevation drawings, landscape plan, floor plans, and major department layout drawings (including operating room, emergency room, ambulance bay, patient rooms, wards, radiology, laboratory). The Contractor shall prepare design sketches, and single line drawings for power, water, wastewater, and medical gases for the hospital system. Design sketches for the boiler room, backup power generation, laundry, kitchens, and entrance, as well as foundation drawings, shall also be prepared. The Contractor shall consider the requirements for a 30 percent design requirement with associated contingency levels and design requirements.

Task 6 Deliverables: The Contractor shall prepare and deliver to the Client 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 and budget design package; and
- Accompanying design calculations and commentary.

Task 7: Cost Estimate

Subtask 7.1: Capital and Operating Cost Estimates

The Contractor shall prepare a cost estimate, projected revenues, and financial margin models for the recommended location (as defined in Task 3) and hospital design (as selected in Task 5 and prepared in Task 6). The model shall include overall capital, operating, and maintenance costs, as well as gross and net margin (EBITDA and EBIT) calculation estimates for the recommended location/design.

Subtask 7.2: Preparation of Financial Model and Statements

The Contractor shall develop an Excel-based interactive financial model for the development of the comprehensive financial statements (the “Financial Model and Statements”) for the new hospital, which must include at a minimum:

- Sources and uses of funds.
- Program capital expenditures (e.g., construction costs, site development costs, equipment costs including IT, working capital requirements and pre-operational costs, commissioning costs, interest payments and contingencies, legal fees, financing fees, any ancillary infrastructure if required, etc.).
- Statement of projected operating revenue and expenses (including key operating agreements, concession agreements, construction contracts, other bespoke studies, management service agreements, leases, ongoing maintenance fees, salaries and compensations, inventory stock-in-trade, etc.), which shall include estimates of depreciation and taxes, according to the accounting regulations in Palau.
- A projected balance sheet.
- A Project cash-flow statement.
- Estimates of Project return on investment (ROI), internal rate of return, and net present value, along with an investment analysis.
- Any other necessary placeholder(s) to incorporate in the base model relevant to long-term financing, such as estimated equity (sources and amount), estimated debt, anticipated sources of collateral, sponsor guarantees, etc.

The Contractor shall document all financial assumptions and incorporate projections of costs obtained from completing the above work.

Subtask 7.3: Sensitivity Analysis

The Contractor shall conduct a sensitivity analysis on implementing the Project to define potential risks. Various scenarios that can happen during the actual implementation shall be analyzed. The sensitivity analysis should, at a minimum, demonstrate the impacts of various scenarios from the perspective of:

- Financing risks, including interest rates and currency risk;
- Implementation feasibility;
- Regulatory hurdles and required regulatory processes and costs;
- Threats arising from market competition; and
- Other potential implementation delays.

The sensitivity tests shall quantify the impacts of various scenarios into financial impacts along with qualitative descriptions where necessary. The Contractor shall engage stakeholders from the Client and necessary external expertise to identify the most relevant scenarios and degree of impact.

Task 7 Deliverable: The Contractor shall prepare and deliver to the Client 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 a Financial Model and Statements with tabs for each financial statement.

Task 8: Sources of Financing Plan

The Contractor shall prepare a financing plan and a financing strategy, including several approaches to securing financing for the Project based on discussions with the Client, potential donors, lenders, and financiers. The Contractor shall assess Build – Transfer, Build – Operate – Transfer, and Public Private Partnership (joint venture) options. The Contractor shall outline the rationale for the financing plan and strategy and consider relevant factors, including but not limited to timing, interest rates, and potential financing terms.

The Contractor shall also recommend the most effective financing sources for the Project. This shall include determining the availability of equity and debt financing, the views of potential financing entities (e.g., ADB, Japan International Cooperation Agency, Australia's Department of Foreign Affairs and Trade, etc.), and the potential for the U.S. Export-Import Bank and U.S. International Development Finance Corporation's financing of the Project implementation. With the Client's express permission, the Contractor shall contact the potential sources of financing to assess the likelihood of participation in the Project.

Further, the Contractor shall evaluate the potential for establishing a Public Private Partnership for the hospital and define a shortlist of possible partner entities (e.g., non-governmental organizations, private firms, private equity partners, and other possible interested entities). The evaluation shall include the definition of the business model, the likely candidate entities to approach, and the risks associated with such a construct. The Contractor shall contact a shortlist of possible Public Private Partnership targets to define interest levels in such a concept.

The Contractor shall identify Project risk factors and include a risk avoidance/reduction/mitigation plan for factors using insurance, bonding, and/or other means. The plan shall also meet the requirements of potential funding sources.

Task 8 Deliverable: The Contractor shall prepare and deliver to the Client 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 a Source(s) of Financing Plan.

Task 9: Preliminary Environmental and Social Impact Assessment

The Contractor shall carry out a preliminary Environmental and Social Impact Assessment (“ESIA”) and develop the scope of the final ESIA for the Project. The preliminary ESIA shall include, but is not limited to, the following:

- a) Review of existing documents, studies, data, images, and maps on the Project site and affected area;
- b) Identification of the regulatory requirements of Palau;
- c) Identification of the environmental requirements and guidelines of potential lenders to the Project;
- d) Assessment of the environmental and social characteristics of the Project site through an information review, preliminary stakeholder consultations, and site visit;
- e) Identification of the potential environmental and social impacts associated with the Project;
- f) Assessment of societal and cultural impact of the selected site;
- g) Identification of key stakeholders, with special attention to the local community, farmers, and political and cultural leaders;
- h) A description of the proposed methodologies for public participation and engagement;
- i) A waste management plan for medical waste, radionuclides, and sanitary wastes; and
- j) Identification of people affected by the Project and a preliminary plan for addressing relocation of such affected people (housing and loss of employment) and businesses (as appropriate).

The Contractor shall also develop plans to mitigate the Project’s social and environmental impacts. The preliminary ESIA, including the mitigation plans, shall be conducted in accordance with the Equator Principles and the International Finance Corporation’s current Environmental and Social Performance Standards and shall comply with all applicable laws and regulations in Palau governing the preparation and implementation of ESIA’s.

Task 9 Deliverable: The Contractor shall prepare and deliver to the Client 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 Preliminary ESIA.

Task 10: Regulatory Review

The Contractor shall prepare a report analyzing the impact of existing and pending regulations, permitting requirements, and government policies affecting the Project. The report shall analyze the impact of such regulation, permitting requirements, Project development and construction policies, and investment restrictions. This involves providing an overview of the legal and regulatory framework. The Contractor shall define and set forth the permitting process for the hospital. The Contractor shall also identify and review the environmental regulations and standards that apply to the hospital.

The Contractor shall identify the specific regulatory permits, licenses, and approvals required for Project development and operation, as well as the procedures and timelines for obtaining them. The Contractor shall assess potential legal risks, liabilities, and compliance obligations associated with Project implementation, including environmental regulations, land rights, and building codes. The Contractor shall recommend mitigation strategies and compliance plans to address legal risks and ensure compliance with applicable laws, regulations, and standards for the Project.

Task 10 Deliverable: The Contractor shall prepare and deliver to the Client 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 Regulatory Review.

Task 11: U.S. Sources of Supply

The Contractor shall conduct an assessment of potential U.S. sources of supply (“U.S. Sources of Supply Assessment”), with a summary in a report form. The focus of the effort will be the opportunities for U.S. suppliers of building materials, design and construction services for the hospital project, and for suppliers of medical equipment to equip the hospital. Using information obtained from prior Tasks and an equipment inventory supplied by the Client, noting both new purchases required and a listing of equipment to be transferred from the existing hospital, the Contractor shall create a required procurements list, identify likely U.S. suppliers for building materials, equipment and services required for Project implementation, and contact these suppliers. The list shall include:

- The potential U.S. sources of supply and services for the implementation.
- A detailed description of relevant products, solutions, and services for each potential U.S. supplier or service provider.
- Contact information for the party or parties responsible for marketing/sales in the Host Country, including business name, point of contact, address, telephone number, and e-mail address for each identified party.

The Contractor shall engage relevant potential U.S. suppliers in discussion and analyze their interest in supplying equipment and services for the Client’s implementation. This Task should analyze U.S. suppliers for every significant cost (above \$50,000) for items and services to be procured for the Project implementation. The Contractor shall estimate the U.S. content percentage related to U.S. vendors/manufacturers. The Contractor shall inform the Client of which U.S. suppliers have expressed interest.

Task 11 Deliverable: The Contractor shall prepare and deliver to the Client 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 U.S. Sources of Supply Assessment.

Task 12: Development Impact Assessment

The Contractor shall assess the anticipated development impact associated with the implementation of the Project in accordance with the recommendations and analysis developed during this Activity. The development impact assessment aims to provide the Client and other interested parties with a broader view of the Project’s potential social and economic impacts on the local population. The Contractor shall provide quantitative and qualitative assessments of the potential impact of implementing the Project, with specific attention to the following indicators:

| Sector | Category | Indicator | Definition | Measure |
|--------|---|--------------------------------------|---|-----------------------|
| Health | Infrastructure Development and Efficiency Gains | Improved Access to Modern Healthcare | Number of people who will have access to modern healthcare systems, including equipment (CAT-Scan, Ultra-sound, etc.) and IT systems (Electronic Medical Records, network systems, etc.). | Number of individuals |

For the qualitative assessment, the Contractor shall provide narrative descriptions of how the implementation of the Project is anticipated to impact each of the above indicators. For the quantitative assessment, the Contractor shall provide a baseline measurement and anticipated outcome of the above indicators. The Contractor may propose alternate indicators, as appropriate, based on the results of the technical analysis in consultation with USTDA. The Contractor shall provide patient projections for types of care (e.g., dialysis, OB-GYN, pediatrics, etc.) to be provided and demographics (e.g., sex, age brackets, private insurance/public payer).

The Contractor shall incorporate information from the prior Tasks to determine the Project’s development impacts. If other developmental impacts are determined, baseline and post-Project implementation estimates shall be included in the Contractor’s development impact assessment.

Task 12 Deliverable: The Contractor shall prepare and deliver to the Client 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 development impact assessment.

Task 13: Implementation Plan

The Contractor shall prepare an implementation plan (the “Implementation Plan”) for the Project that includes a schedule and timeline for each step of the Project implementation. The Implementation Plan shall include a detailed strategy on how the Project will meet the previously identified regulatory, permitting, licensing, and environmental requirements. The Implementation Plan shall have sufficient scope and detail so that it can be used for presentation to potential financing sources. The Contractor shall identify the steps the Client needs to take to implement the Project, including, but not limited to:

- a) Financing arrangements;
- b) Annual Project budget plan;
- c) Compliance with all institutional, legal, regulatory, and standards requirements, including all necessary approvals, certifications, and permits;
- d) Procurement of goods and services;
- e) The master schedule for Project implementation;
- f) Construction and site preparation requirements;
- g) Project organization and staffing plan;
- h) Training and education plans for hospital operations and maintenance;
- i) Workforce allocations by category;
- j) Project management process;
- k) Medical operations, support functions, and maintenance requirements; and
- l) Transition plan from old to new hospital including transfer of equipment, mobilization of staff, and recommendations for management of in-patient transfer between the hospitals.

The transition plan shall evaluate the clinical and facility risks of the transition, including duplication of services and equipment, potential for relocation of equipment versus replacement, patient transfer risks, clinical capabilities exposure, and leverage of private sector clinics during the transition and similar options to support the transition.

Task 13 Deliverable: The Contractor shall prepare and deliver to the Client 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 Implementation Plan.

Task 14: 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. The Final Report shall be delivered in English.

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 14 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 Palau Ministry of Public Infrastructure and Industries (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 relocation and construction of the new Belau National Hospital (“BNH”) located in the Republic of Palau (the “Host Country”) to meet the current and future healthcare needs of the country (the “Project”). 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 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 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 non-material 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

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

- (A) All legal entities who perform any part of the Activity as the Contractor or a Subcontractor shall be U.S. Firms.
- (B) All natural persons who perform any part of the Activity as the Contractor or a Subcontractor, or as an employee of the Contractor or of a Subcontractor, shall be either (i) U.S. citizens, or (ii) non-U.S. citizens lawfully authorized to work, or admitted for permanent residence, in the United States.

- (C) Notwithstanding the provisions of Articles (A) and (B) above, up to thirty percent (30%) of the Grant Funds may be used to pay for work performed in connection with the Activity by:
- (1) any Subcontractor organized under the laws of either (i) the Host Country or (ii) any Target Country; and
 - (2) any natural person working as (a) a Subcontractor, or (b) an employee of the Contractor or of a Subcontractor, as long as such natural person is either (i) a citizen of the Host Country or a Target Country, or (ii) lawfully authorized to work, or admitted for permanent residence, in the Host Country or a Target Country.
- (D) Except for goods and services incidental to Activity support (*e.g.*, local lodging, food and transportation in the Host Country or a Target Country), goods purchased for the performance of the Activity and associated delivery services (*e.g.*, international transportation and insurance) shall have their nationality, source and origin in the United States.
- (E) “U.S. Firm” means either (1) or (2) below.
- (1) A private-sector for-profit legal entity or partnership organized under the laws of the United States, with its principal place of business in the United States, and which satisfies either (a) or (b) below.
 - (a) It is more than fifty percent (50%) owned or controlled by (i) U.S. citizens, (ii) non-U.S. citizens lawfully authorized to work, or admitted for permanent residence, in the United States, or (iii) any combination of (i) and (ii) of this sentence.
 - (b) It (i) has been organized under the laws of the United States for more than three years prior to either (x) the date on which the initial proposal in respect of the Activity is received by USTDA, or (y) 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 United States for such three- 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 United States to perform the work in question.
 - (2) A nonprofit organization that is organized under the laws of the United States and managed by a governing body, a majority of whose members are (i) U.S. citizens, (ii) non-U.S. citizens lawfully authorized to work, or admitted for permanent residence, in the United States, or (iii) any combination of (i) and (ii) of this sentence.

- (F) “Target Country” means a country, other than the Host Country, (i) that is an integral part of the Project’s scope and (ii) whose local labor is required for work to be performed in connection with the Activity. A Project may have one or more Target Countries.

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. In the event that the Contractor is unable to obtain the transportation services of a U.S.-flagged vessel at a fair and reasonable rate, the Contractor shall obtain USTDA’s written authorization and provide USTDA with reasonable documentation of that fact prior to utilizing any non-U.S.-flagged vessel.

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, non-transferrable, worldwide, royalty-free, non-exclusive license to use the Final Report, and all Deliverables and other work product associated with the Activity. The Client and Contractor each understand and agree that the Public Version of the Final Report be made publicly available by USTDA.

(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 crosswalk index (the "Crosswalk"), delivered separately from the Final Report. The Crosswalk 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 Crosswalk 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.
- (e) The Final Report (both Confidential and Public Versions), the Crosswalk, final Invoice, and notation of Client's approval of the Final Report, shall all be submitted to USTDA.

(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 24/25 1001
Activity No.: 2025-31001A
Reservation No.: 2025003
Grant No.: 1131PL25GH31003

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 Desk Study/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 |
| Task 1: [Task Title] | [\$Amount] | [Percentage]% |
| Task 2: [Task Title] | [\$Amount] | [Percentage]% |
| Task 3: [Task Title] | [\$Amount] | [Percentage]% |
| Task 4: [Task Title] | [\$Amount] | [Percentage]% |
| Task 5: [Task Title] | [\$Amount] | [Percentage]% |
| Task 6: [Task Title] | [\$Amount] | [Percentage]% |
| Task 7: [Task Title] | [\$Amount] | [Percentage]% |
| Task 8: [Task Title] | [\$Amount] | [Percentage]% |
| Task 9: [Task Title] | [\$Amount] | [Percentage]% |
| Task 10: [Task Title] | [\$Amount] | [Percentage]% |
| Task 11: [Task Title] | [\$Amount] | [Percentage]% |
| Task 12: [Task Title] | [\$Amount] | [Percentage]% |
| Task 13: [Task Title] | [\$Amount] | [Percentage]% |
| Task 14: [Task Title] | [\$Amount] | [Percentage]% |
| Total: | [\$Amount] | 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 Contractor 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.