

REQUEST FOR PROPOSALS

TECHNICAL ASSISTANCE FOR THE

AIRPORT MASTER PLAN UPDATE AND AIRPORT SYSTEM REVIEW

Submission Deadline: **5:00 PM**
LOCAL TIME (Koror, Palau)
February 6, 2026

Submission Place: Proposals must be submitted electronically via email to the Palau National Aviation Administration (PNAA) at the below addresses:

Pnaa@palaunet.com
Pnaa.safety@gmail.com

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\$1,370,000 to the Palau National Aviation Administration (the “Grantee”) in accordance with a grant agreement dated September 18, 2025 (the “Grant Agreement”). This grant funds the cost of services required in connection with the delivery of Technical Assistance (“TA”) related to the proposed upgrades to Palau International Airport’s (“ROR”) infrastructure (the “Project”) located 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 Technical Assistance.

1.1 BACKGROUND SUMMARY

The Project would include critical upgrades to aviation infrastructure at ROR, such as repairing failed slope areas near the existing runway, improvements to airfield drainage and erosion control, expanding the terminal apron, replacing outdated aircraft rescue and firefighting trucks, constructing a parallel taxiway, and replacing airfield lighting. Specific upgrades will be identified during the TA. Portions of a background Definitional Mission are provided for reference in Appendix 2.

1.2 OBJECTIVE

The objectives of the TA will be to: 1) develop an updated Airport Master Plan (“AMP”) for ROR, utilizing the existing 2012 AMP as a baseline; 2) conduct an in-depth assessment of ROR’s current condition to develop a Capital Improvement Plan (“CIP”) that includes all projects and activities necessary for improving the airport in the short, medium, and long term; and 3) review Palau’s system of airports to determine development needs at ROR, as well as the airstrips on the islands of Peleliu and Angaur. The Terms of Reference (TOR) for this Technical Assistance 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 Technical Assistance. 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\$1,370,000. The USTDA grant of US\$1,370,000 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\$1,370,000 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 Technical Assistance 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 Airport Master Plan Update and Airport System Review.

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 Technical Assistance.

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 Technical Assistance.

2.5 PROJECT FUNDING SOURCE

The Technical Assistance will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$1,370,000.

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 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

Proposals shall be submitted exclusively in electronic form, via e-mail attachment(s) to Pnaa@palaunet.com and Pnaa.safety@gmail.com. Electronic copies in ENGLISH, PDF files of your proposal must be received at the above e-mail address no later than 5PM (local time in Koror, Palau) on February 6, 2026. 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, Technical Assistance 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 TA or the USTDA Mandatory Contract Clauses. USTDA reserves

the right to audit the books, records, and other documentation for the TA 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\$1,370,000, which is a fixed amount.

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Firm Background Information,
- 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 Technical Assistance. 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 Technical Assistance.

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 work space or facilities needed to complete the Technical Assistance.

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 Technical Assistance. 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 Technical Assistance 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 January 9, 2026 at 3:00PM EST. The email subject line must read: "RFP Question: Airport Master Plan Update and Airport System Review; 2025-31012A." 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:

Evaluation Criteria	Weight
1. Specialized Technical Experience	35 points
1.1. Experience in airport master planning and related activities	20 points
1.2 Experience in airport master planning and related activities in emerging economies and/or small island environments	15 points
2. Professional Qualifications of Team Members	35 points
2.1 Qualifications of Project Manager	15 points
2.2 Qualifications of Airport Planner/Technical Expert	10 points
2.3 Qualifications of Other Team Professionals	10 points
3. Technical Approach and Work Plan	25 points
3.1 Appropriateness of technical approach and work plan	15 points
3.2 Understanding of the project and relevant planning considerations	10 points
4. Overall Impression of the Proposal	5 points

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: Airport Master Plan Update and Airport System Review Technical Assistance

The Palau National Aviation Administration (“PNAA”) 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 perform technical assistance (“TA”) related to the development of critical infrastructure upgrades at Palau International Airport (the “Project”) in Palau. The Proposal submission deadline is 5:00PM Local time (Koror, Palau) on February 6, 2026. The U.S. firm selected will be paid in U.S. dollars from a US\$1,370,000 grant to the PNAA from the U.S. Trade and Development Agency.

About the Grantee

The PNAA was created by the government of Palau as an independent agency to establish an administration compliant with International Civil Aviation Organization (“ICAO”) requirements to regulate and oversee civil aviation safety and security in Palau. The PNAA, as the national civil aviation regulator, is mandated to promulgate National Aviation Rules & Regulations and to adopt and implement ICAO Standards and Recommended Practices to be followed by airports, air carriers serving the country, and other users of Palau’s navigable airspace.

Project Background

Like many other Pacific Island Countries (“PICs”), Palau’s economy is highly reliant on tourism, subsistence agriculture, fishing, and foreign aid from bilateral and multilateral donors. Aviation is a vital industry for Palau, and the PICs broadly, because of its remoteness and isolated geography. According to the Asian Development Bank (“ADB”), the PICs are likely the most air-dependent region in the world. Airline connectivity is critical for driving tourism, as well as education, employment opportunities, healthcare access, and the delivery of goods and services. Palau is seeking to upgrade and expand its aviation infrastructure to facilitate further economic development, allow more and larger airplanes to land, and advance social development objectives.

There are several critical upgrades that are needed at Palau International Airport, such as repairing failed slope areas that have eroded away near the sole existing runway, improvements to airfield drainage and erosion control, expanding the terminal apron to better support ground service equipment, the replacement of outdated aircraft rescue and firefighting (“ARFF”) trucks, updates and maintenance for the ARFF facility, constructing a parallel taxiway, and replacing airfield lighting. Small island nations, such as Palau, often have one airport that is primarily used for commercial aviation, but, as the only major airport, it is also occasionally used for non-commercial flights.

About the TA

The objectives of the TA will be to: 1) develop an updated Airport Master Plan (“AMP”) for ROR, utilizing the existing 2012 AMP as a baseline; 2) conduct an in-depth assessment of ROR’s current condition to develop a Capital Improvement Plan (“CIP”) that includes all projects and activities necessary for improving the airport in the short, medium, and long term; and 3) review Palau’s system of airports to determine development needs at ROR, as well as the airstrips on the islands of Peleliu and Angaur.

APPENDIX 2

DEFINITIONAL MISSION REPORT

B. PROJECT DESCRIPTION

1.0 Republic of Palau Overview

The Republic of Palau is an archipelago of over 500 islands and part of the Micronesia region in the western Pacific Ocean. Koror Island is home to the former capital, also named Koror, and is the islands' commercial center. The larger Babeldaob has the present capital, Ngerulmud. In 2023, Palau's population was estimated as 18,058 by the World Bank.

Palau had been under a Japanese Mandate from 1914 to 1945 and became part of the Trust Territory of Pacific Islands in 1947 which had been administered by the United States (U.S.). Palau finally achieved independence in 1994 after signing the Compact for Free Association (COFA) with the U.S. in which the U.S. Government (USG) provides subsidy for development in exchange for allowing the U.S. to operate armed forces in Palauan territory and for maintaining coordinated diplomatic relations with the U.S. The COFA, which became effective in 2010, was set to expire in 2024, however the USG signed into law the 3rd Compact on March 9th, 2024, a renewed 20-year agreement that allocates budget support and special funds to Palau.

Palau's economy is based on tourism, subsistence agriculture and fishing, and the country relies heavily on financial aid from the U.S. and other countries. Tourism has seen a boost in recent years, in part due to the rise of air travel in the Pacific and increased prosperity in East Asia. The country's GDP was U.S.\$ 260 million (2023) as reported by the World Bank. Given the reliance of Palau's economy on tourism, air transportation and airport infrastructure are critically important to Palau's economy.

2.0 Palau International Airport

The main airport in the country is the Palau International Airport (ROR). The airport is situated on a hilltop location in the Airai State, which occupies the southernmost part of the Babeldaob Island. ROR is currently the only international airport in Palau with commercial flights, making it a critical air transportation infrastructure for passengers and cargo. The airport has a single runway (9/27), which is 7,200 feet long by 150 feet wide. The runway is located in the east-west direction at an altitude of about 176 feet above mean sea level. There is one main taxiway located at the western edge of the runway that leads to the apron immediately adjacent to the airport terminal.

As of July 2024, commercial airlines flying out of ROR included United Airlines, China Airlines, Cambodia Angkor Air, Air Niugini, Air Nauru, and Pacific Missionary Aviation (PMA). In October 2024, the Governments of Australia and Palau announced that Qantas was selected to operate the Palau Paradise Express, which provides direct flights from Brisbane, Australia to Koror, Palau. This route is expected to operate through at least November 2025. Also in October 2024, United Airlines announced year-round, nonstop flights between Tokyo Narita International Airport and Koror starting in May 2025. Separately, Japan Airlines will offer charter flights from Tokyo Narita to Koror starting in March 2025. Some of the major airlines with prior air service that have not returned to ROR after the Covid-19 pandemic include Korean Air and Asiana Airlines. United Airlines is the predominant air carrier providing air cargo services at ROR. The U.S. Department of Defense (DOD), through the U.S. military, also conducts military exercises at ROR and other airports in Palau such as the airstrips on Peleliu and Angaur.

ROR's terminal building was originally constructed with assistance from the Japanese government in 2003. In 2017, the Government of Palau (GoP) entered a Public Private Partnership (PPP) concession agreement with a Japanese Joint Venture named Japan Airport Management Partners (JAMP) for the management, renovation, and expansion of ROR's airport terminal building. The improvements to the terminal building were completed in May of 2022.

The Peleliu Airfield is located on the island of Peleliu, which is one of the southernmost islands in the Palau chain. The airfield has one runway, designated 4/22, that is 6,000 feet long and 40 feet wide with a gravel surface. The airfield is at an estimated elevation of 9 feet above sea level. Peleliu Airfield was reactivated by the U.S. Marine Corps in mid-2024 as the airfield enhances U.S. military capability in the Pacific region.

The Angaur Airstrip in Palau is a remote airfield with a single gravel runway that can accommodate military aircraft and charter flights. The Angaur Airstrip is located 30 miles southwest of Angaur Island, with an estimated elevation of 20 feet above sea level. The runway at Angaur Airstrip is 7,000 feet long and 150 feet wide, with a designation of 5/23. The airfield receives infrequent tourist charter flights but can accommodate larger military aircraft like C130s. The airfield is used for training exercises by the U.S. military and is also the target of the Operation Christmas Drop humanitarian airdrop training mission. The Palau National Aviation Administration (PNAA) as the national civil aviation regulator and oversight authority in Palau, is mandated to promulgate National Aviation Rules & Regulations and to adopt and implement the International Civil Aviation Organization's (ICAO) Standards and Recommended Practices (SARPs) to be followed by airports, air carriers, and other aviation activities within Palau's navigable airspace. The PNAA is headed by Mr. Lebuu Littler, the Administrator, who has submitted a request for financial assistance in the form of a grant to the U.S. Trade and Development Agency (USTDA) for updating ROR's 2012 Airport Master Plan.

3.0 Request for Financial Assistance from USTDA

In 2012, the United States Federal Aviation Administration (FAA) funded the Palau International Airport Master Plan to identify improvements to the airfield and terminal facilities to meet anticipated growth in aviation operations throughout a planning horizon of 20 years. This was the last airport master plan developed for ROR. The PNAA has requested financial assistance from USTDA in the form of a grant for the conduct of a technical assistance (TA). The proposed TA will provide an updated airport master plan for ROR, along with an overall review for Palau's system of airports including airstrips on Peleliu and Angaur (the "Project").

The proposed airport master plan update would utilize the 2012 master plan as a baseline and update plans for the airport and runway, including the terminal, cargo, air navigation, and Aircraft Rescue and Fire Fighting (ARFF) facilities, among others. Importantly, the master plan would review the current runway characteristics at ROR and review the types of commercial aircraft landing at the airport now and their range, as well as what additional markets could be reached with a longer runway that could potentially accommodate larger aircraft.

The current runway at ROR is 7,200 feet long by 150 feet wide. According to the grant request document, air carriers have expressed to PNAA that the runway at ROR is too short to fly widebody aircraft with a full payload. The largest planes flying into ROR are Boeing 767-300s with restricted payloads. The GoP wishes to entice airlines to fly larger aircraft to ROR with the objective to attract more non-stop destinations and increase tourism in Palau. As part of the TA, a technical, financial, and economic analysis will be performed for the potential extension of the runway at ROR.

The overall scope of the airport master plan update will be to conduct an in-depth assessment of current conditions at ROR, analyze and develop passenger and cargo forecasts, and based on current and projected scenarios, develop the Capital Improvement Plan (CIP) that includes all the projects and activities necessary for improving the airport in the short-, medium-, and long-term periods. The CIP will include all airport planning and development projects at ROR that are both eligible and ineligible FAA's Airport Improvement Program (AIP) funding.

4.0 Federal Aviation Administration (FAA)

Under the COFA, the USG and the Government of Palau (GoP) agreed that the U.S. would provide aviation safety services in Palau to promote the common interests of both governments in fostering safe and efficient air service in Palau. The USG does this through the FAA which has designated Palau as an eligible sponsor under the FAA's Airport Improvement Program. As such, Palau is an eligible sponsor under the FAA's AIP program to receive funding under the discretionary grant category.

Typically, the upgrade of infrastructure projects at ROR have been funded by the FAA's discretionary AIP grants, with a 10% cost sharing covered by the GoP. The AIP program implemented by the FAA in Palau has funded a variety of activities at ROR by improving airport infrastructure, airfield paving, taxiway upgrades, apron expansions, airfield perimeter fencing and perimeter roads, signage and lighting, ARFF facilities and equipment. The FAA has also funded air navigation facilities and equipment at ROR that include for example, airfield lighting, NAVAIDS, runway edge lighting, precision approach path indicators (PAPI), runway threshold identification lights, wind direction indicators, aerodrome beacon, and others.

Eligible projects under the FAA's AIP program include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. In general, sponsors can receive AIP funds for most airfield capital improvements or rehabilitation projects and in some specific situations, for terminals and hangars. Certain professional services that are necessary for eligible projects (such as planning, surveying, and design) can also be eligible. The FAA must be able to determine that the projects are justified based on civil aeronautical demand. The AIP grant application process involves several steps that include an application package prepared and submitted to FAA by the sponsor, followed by an FAA review and approval or disapproval process. In the event FAA approves an application, funds for an AIP grant are reserved and FAA offers the grant to the sponsor. Once the grant is accepted by the sponsor, funds are made available for the intended purposes.

In terms of airspace management, ICAO has designated the FAA to manage the international airspace over Palau of up to 55,000 feet. Below the 55,000 feet altitude, the airspace is to be managed by Palau. The FAA manages the airspace via its Oakland Air Traffic Center and collects fees for flights traversing the airspace. The PNAAC, on the other hand, collects its own landing fees for flights that land at ROR.

5.0 Palau International Airport - PPP

Palau International Airport Corporation (PIAC) is the local airport operating company representing the Public Private Partnership (PPP) between the GoP and the Japanese Joint Venture Japan Airport Management Partners (JAMP). JAMP is a joint venture between Sojitz Corporation (Sojitz), Japan Airport Terminal Co., Ltd. (Japan Airport Terminal), and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN), that took over the management of Palau International Airport's terminal building as of April 14th, 2019. At the same time, PIAC has renovated and expanded the terminal building at ROR with the expectation to meet the growing number of visitors to Palau. PIAC is also responsible for operating and maintaining the terminal building under a 20-year agreement.

The improvements to the terminal building at ROR utilized funding (U.S.\$ 40 million) from the Japan International Cooperation Agency (JICA), while investment insurance was provided by Nippon Export and Investment Insurance (NEXI), as well as other investments from the joint venture participating companies. JAMP owns 51% of PIAC, while the GoP is a 49% owner. JAMP's ownership is comprised of Sojitz (48%), Japan Airport Terminal (31.9%), and JOIN (20.1%). Under

the 20-year concession agreement, PIAC collects non-airside fees which include those fees at the airport not associated with aeronautical operations (retail, food & beverage, VIP services, commercial concessions, airport user fees, and others), while all airside fees (landing fees, ramp fees, others) go directly to the GoP. Commercial revenues collected by the PPP from non-airside fees are split 51%-49% between JAMP and the GoP. PIAC is required to maintain the viability of existing terminal facilities and maintain the facilities in a suitable condition for turnover at the end of the 20-year concession.

The PPP agreement was signed in 2017, and groundbreaking took place in April of 2019. The airport terminal improvements were scheduled to be completed by April 2021, but the arrival of the Covid-19 pandemic delayed the labor incoming from Thailand and Vietnam which caused the grand opening of the new terminal to take place in May of 2022. The major infrastructure contributions from PIAC included the construction of the new airport departure building, construction of the Annex Building, and renovations to the main arrivals building.

The two-story Annex Building is occupied by customs, biosecurity, ground handling, and United Airlines Cargo on the first floor. Airport administration offices, including PIAC, the Bureau of Civil Aviation and PNAA occupy the second floor. The first floor of the Annex Building is also occupied by a ground handling company (BT&T), which supports airlines such as Nauru Airlines and Cambodia Angkor Air. The Annex Building is used jointly by United Airlines Cargo and the U.S. Postal Service. U.S. mail is the top cargo for United Airlines flights while other cargo is mainly commercial cargo for businesses in Palau.

C. PROJECT SPONSOR CAPABILITY AND COMMITMENT

This section of the report describes the project sponsor's capability and commitment to support the update of ROR's airport master plan. The PNAA has been identified as the project sponsor as the agency that has oversight of ROR. The PNAA will be responsible for the management of this USTDA funded activity as well as for overseeing the development and construction of aviation projects that are ultimately recommended by the airport master plan update.

1.0 Palau National Aviation Administration

The PNAA was created by the GoP for establishing an administration in compliance with requirements of ICAO to regulate and provide oversight of civil aviation safety and security of Palau's aviation industry. The PNAA, as the national civil aviation regulator and oversight authority in Palau, is mandated to promulgate National Aviation Rules & Regulations and to adopt and implement ICAO's SARPs to be followed by airports, air carriers serving Palau, and other aviation activities within Palau's navigable airspace.

Today, the PNAA has developed twenty-three Civil Aviation Rules and Regulations and adopted additional aviation programs and documents consistent with various ICAO Standards. The PNAA is headed by Mr. Lebuu Littler, the Administrator, and the agency also has oversight of ROR. While the PNAA is committed to upgrading facilities at ROR, the agency has limited staff (four people) and capability for developing an airport master plan and would benefit from an external consultant for updating ROR's airport master plan.

The Bureau of Aviation, PIAC, and ROR are regulated by the PNAA, and the latter routinely undertakes operational and safety compliance reviews. PIAC carries out the day-to-day management and maintenance for airport facilities. Contractors are outsourced for major improvement projects costing more than U.S.\$ 5,000. The average annual operating cost to maintain airport facilities at ROR in 2022 was U.S.\$ 2,500,000. Current sources of revenue for the project sponsor are landing fees paid by commercial air carriers and certain land leases. The

government's first PPP project approved in early 2017 constructed a new annex building, a departure building, and renovated the existing building to the main arrival building.

2.0 Tourism and Aviation

Tourism is an essential part of Palau's economy and in 2023, Palau received 40,000 visitors, down from 100,000 in 2019, before the Covid-19 pandemic. As of December 2023, there were very few direct flights to Palau, from Manila, Taipei, Pohnpei in the Federated States of Micronesia, Guam, and Brisbane via Port Moresby. As noted above, direct flights to/from Tokyo will start in March 2025. A priority of Palau's current President, Surangel Whipps Jr., is the extension of the runway at ROR.

Currently the largest planes flying into ROR are the Boeing 767-300s with restricted payloads, although the more typical aircraft are the Airbus 321s and Boeing 737-800s. The GoP and the PNAA would like to entice airlines to fly larger aircraft to Palau and to that end, are considering whether to extend the runway to accommodate larger and heavier aircraft. The goal is to attract more tourists on direct flights to Palau, in part by extending the runway and making Palau a more attractive direct flight destination for commercial airlines. Indirect flights generally lead to fewer tourist arrivals, hence the focus on increasing direct flights.



Complicating the runway situation is a landslide on one side of the runway, which will need repairs to reverse the erosion of soil. The runway is also on a plateau with limited additional space for runway extension. Given that the runway extension at ROR is of high priority for the GoP, the proposed master plan update will include the required analysis to determine the technical and financial viability of the runway extension.

Figure 1 - Landslide to side of runway. (Source: USTDA Scoping Trip to Palau)

3.0 Palau's National Development Plans

The Palau 2020 National Master Development Plan (PNMDP) was formulated in 1996 and is a long-term national development plan which was brought into view in 2020 with the goal of economic independence and protection of the environment and culture. In order to achieve the vision of improving the quality of life of the Palauan people over the future, it was targeted to achieve economic growth and to increase the income by a sustainable strategy. In accordance with President Whipps' vision and the objectives of his administration, the national government has

launched a new 2022 Palau Development Plan (PDP). The announcement of the launch was made during the 2022 Annual Economic Symposium which took place on November 17, 2022, at the Ngarachamayong Cultural Center.

The Whipples administration envisions the plan will be in the form of a 4-year medium-term plan covering the period 2023 to 2026. The PDP will build on and update all prior national and sector plans. These include the Palau 2020 PNMDP, the Medium-Term Development Strategy of 2009 to 2014, and the first Voluntary National Review on the country's sustainable development goals (SDGs) that was prepared in 2019.

Palau's economy largely relies on tourism as the lead source of revenue generation. Palau has beautiful islands and ocean environments, is great for scuba diving, and is also a yachting destination. There is great potential to expand the tourism industry into more ocean sports, more on-land leisure and sports, and other specialist tourism industries catering to specific niches, for example, weddings, honeymoons, history, culture, film, and television. Palau is also a safe and peaceful destination with a stable economy utilizing the U.S. dollar.

The total number of visitors was stable at around 80,000 each year between the years 2004 and 2010. In 2015, Palau received approximately 160,000 tourists, representing nine times the country's population and in 2017, the government considered limiting "budget travel" and sought to actively promote high-end tourism, but no official policies were established. The industry and the number of visitors collapsed between 2020 and 2022 due to the impact of the Covid-19 pandemic. The PDP has specifically identified activities that the GoP should concentrate on to support tourism in Palau as the center of economic development for the country.

4.0 Air Transportation - A Priority Under Palau's PDP

Air transportation is specifically identified in the PDP as critical to the future economic development of Palau. The goal of the air transport sector in Palau has been defined in the PDP as "to provide, protect and maintain air transport services on an efficient and equitable basis to improve access, standards, reliability, and value for money". This includes maintaining certification with continuous training for ARFF, airport police, automatic flight information service unit, navigational aid technicians, and airfield and facilities maintenance staff.

The PDP has identified a series of "Key Issues" to support aviation in Palau including the following:

- Air services can likely only develop alongside increased demand from tourism.
- Continue to work towards addressing ICAO's SARPs based on ICAO audits.
- The Peleliu and Angaur airfields need to be developed to meet basic safety standards. There are no lighting systems, security fences, navigational aids, and windsocks to support these airfields. Currently this limits flights to daylight hours only.
- Additional government funding is needed to support the operation and maintenance of Angaur and Peleliu airfields.
- Financing basic training and recertification for ARFF and airport police to maintain safety and security standards is critical.
- Refurbish, renovate, and repair the ARFF building at ROR.
- Acquire new ARFF equipment and firefighting gear; and
- Acquire new Very High Frequency (VHF) base and handheld radios.

5.0 The GoP's Strategy to Support Aviation

Palau's national strategy in aviation is to plan for and build air service facilities as well as the certification of airport personnel to maintain the safety and regulatory environment as the demand for air services increases. As such, priority programs and projects have been outlined in the PDP for the period of 2023 to 2026 to include:

- ARFF recertification.
- Airport police live fire training.
- Safety and security assessments.
- Climate change mitigation measures.
- Peleliu and Angaur Airfields need to be developed to maintain runway safety measures.
- The international airport's existing runway and taxiways will require a surface reseal during the period of the PDP; and
- Develop a project involving major renovations at ROR, including additional/new gates (with an estimated cost of U.S.\$ 40 million). This project was completed in 2022 by a PPP.

6.0 Summary of Project Sponsor Commitment and Capabilities

The project sponsor has demonstrated its commitment and capabilities in working with the FAA, ICAO, and the private sector in the development of airport infrastructure in Palau. The project sponsor has demonstrated its ability to receive AIP grants from the FAA and execute those projects included in ROR's CIP while also maintaining compliance with FAA grant assurance requirements. The project sponsor has been vetted by the FAA and approved as an official airport sponsor under the FAA funding programs. Furthermore, the project sponsor continues to work with ICAO in addressing issues that arise from ICAO safety audits, attempting to achieve compliance with ICAO's SARPs.

Once the airport master plan update is completed, the project sponsor and the GoP will have the proper information on the improvements that ROR will require, when these improvements will be needed, and the data necessary to determine the estimated capital costs. The master plan update will become critical to seeking funding opportunities from the FAA through the AIP discretionary funding program and will aid the project sponsor in developing the 5-year CIP for ROR.

The project sponsor has already outlined the anticipated projects that could be included in the next CIP cycle and the master plan update will be of great assistance to confirm the viability of new projects. Furthermore, the FAA fully supports the Project as it is one of the main mechanisms that airports can use for the short-, medium-, and long-term planning of airport facilities and infrastructure.

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 National Aviation Administration (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, one million three hundred seventy thousand United States Dollars (US\$1,370,000) (“Grant Funds”) to fund the cost of services required in connection with the delivery of technical assistance (the “Activity”) related to the proposed upgrades to the airport master plan for the Palau International Airport and airport system review (the “Project”) located in the Republic of Palau (the “Host Country”).

1. USTDA Grant Funding

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

2. Terms of Reference

The terms of reference for the Activity (the “Terms of Reference”) are attached as Annex I to this Grant Agreement and will involve an existing conditions assessment and inventory, an aviation forecast, a demand/capacity analysis, facility requirements assessment, utilities assessment, land use planning, a preliminary environmental assessment, a facilities implementation plan and capital improvement plan, airport layout planning, an airport system review, a development impact assessment, a U.S. sources of supply analysis, and an updated airport master 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 its Deputy Administrator 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: Mr. Richard Alonz
Title: Deputy Administrator
Address: P.O. Box 1471, Koror, Republic of Palau
96940
Phone: +680-775-6845
Email: Richalonz4@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 22/28 1001
Activity No.: 2025-31012A
Reservation No.: 2025081
Grant No.: 1131PL25GH31081

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.

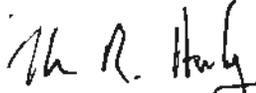
22. Counterparts; Language

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:

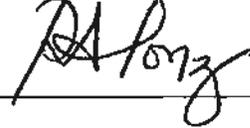


By: Thomas R. Hardy

Title: Acting Director

Date: 9/18/25

For the Palau National Aviation
Administration:



By: Richard Alonz

Title: Deputy Administrator

Date: 9/18/2025

Annex I – Terms of Reference

Annex II – USTDA Mandatory Contract Clauses

Annex I

Terms of Reference

I. INTRODUCTION

These terms of reference (“Terms of Reference” or “TOR”) set forth the terms, conditions, provisions and specifications for the performance of a Technical Assistance for Palau Airport Master Plan Update and Airport System Review (the “Activity”) for the benefit of the Palau National Aviation Administration (the “Client”) related to the Palau International Airport Master Plan Update and Airport System Review (the “Project”) located in the Republic of Palau (the “Host Country”). The U.S. Contractor (the “Contractor”) shall perform the Activity in accordance with these Terms of Reference and the other terms and provisions of the Contract between the Contractor and the Client.

The preparation of this Activity shall be based upon guidelines established by the U.S. Department of Transportation, U.S. Federal Aviation Administration (“FAA”) Advisory Circular AC 150/5070, Airport Master Plans. The preparation of Airport Layout Plans and identification of significant planning data shall be guided by FAA Advisory Circular AC150/5360-9, “Planning and Design of Airport Terminal Facilities at Non-hub Locations”.

The Contractor’s performance of the Activity must comply with these Terms of Reference, and any modification of or deviation from these Terms of Reference must be approved in writing by the U.S. Trade and Development Agency (“USTDA”) in accordance with the USTDA procedures for amendments or other modifications under the Contract. The Contractor acknowledges and agrees 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 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.

Any meetings or other actions or work set forth under these TOR that are indicated to occur in-person, on-site or otherwise in a specified location may, if agreed by both the Grantee and the Contractor, be conducted remotely, including online, by teleconference, by videoconference, or by other means, provided that the Contractor shall clearly document in the corresponding deliverable report the date on which such agreement was reached, and shall describe the alternative means of accomplishing the relevant work.

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 TOR 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 Tasks 1-15 for the Client’s review and comment. The Client shall provide comments, if any, on such draft Deliverable within seven (7) 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.

II. INITIAL TASKS

Task 1: Kick-Off Meeting and Work Plan

Subtask 1.1: Initial Research

The Contractor shall collect from the Client and review relevant technical, commercial, financial and environmental data related to the Project. The Contractor shall organize the information provided by the Client, perform secondary research to gather any additional information necessary to provide background to the Activity and analyze all the information collected. This information must include, without limitation:

- The Palau International Airport Master Plan (2012);
- The United States and Palau Agreement that allows the FAA to provide aviation safety services to Palau;
- Palau Civil Aviation Policies (latest version);
- Palau National Aviation Rules & Regulations;
- Palau International Airport Feasibility Study (AIRBIZ Aviation 2024); and
- Other documents relevant to the Activity.

Subtask 1.2: Work Plan

The Contractor shall develop a detailed work plan (“Work Plan”) for the execution of the Activity. The Work Plan must include, without limitation:

- Scope and objectives;
- Approach and methodology;
- Requirements and dependencies;
- Deliverables and anticipated results;
- Contractor team members for the Activity;

- Task management milestones;
- Delivery of work-in-progress status reports;
- Delivery execution schedule;
- Timing and duration of Contractor travel to the Host Country;
- Risk management and escalation;
- Task report delivery process; and
- Invoice presentation and delivery process.

The scope items for this Activity shall be segregated into two groups (i) core elements and (ii) non-core elements. The core elements are the typical master plan tasks called for by the FAA methodology. The non-core elements are options that have been added to the TOR to provide additional specific benefits to the airport operations and facilities.

The Contractor shall identify any potential risks to the successful delivery of the Activity on schedule and develop a mitigation strategy for each identified risk.

Subtask 1.3: Kick-Off Meeting

Within one month after USTDA’s approval of the Contract, the Contractor shall arrange and conduct a Kick-Off meeting with the Client, either in-person at the Client’s main offices (or another mutually agreed upon location in the Host Country), or remotely via video conference or similar means (the “Kick-Off Meeting”). Participants for the Kick-Off Meeting must include, at a minimum, the Contractor and the Client, including the relevant Project stakeholders as identified by the Client (collectively, the “Internal Stakeholders”). The Contractor shall coordinate with the Client on relevant topics to be discussed during the Kick-Off Meeting. During the Kick-Off Meeting, the Contractor shall, at a minimum:

- Provide an agenda and any relevant handouts and presentation materials for all meeting attendees;
- Facilitate discussion and take meeting minutes;
- Introduce its team;
- Review communication procedures and contact information;
- Review the Tasks to be performed under these Terms of Reference, the objectives of the Activity, the Deliverables and other contractual obligations;
- Review and present the Contractor’s Work Plan and schedule for the Activity;
- Review the Client and Contractor roles and responsibilities with respect to the Activity;
- Clarify any technical, environmental, commercial, financial, legal and/or regulatory issues identified during the Contractor’s initial research and document review; and
- Confirm the Client’s short- and long-term objectives for the Project.

The Client shall provide (at its own expense) the venue, audiovisual and any other required equipment and any meals, snacks and refreshments for the Kick-Off Meeting (if in-person). The Client shall invite the meeting participants, and the Contractor shall manage the participant registration process. The Contractor shall maintain presentation records from the Kick-Off Meeting, including the agenda, presentation materials, and a list of all participants.

Following the Kick-Off Meeting and taking into account any additional information obtained during the Kick-Off Meeting, the Contractor shall submit the proposed Work Plan to the Client for review and approval. Within fourteen (14) calendar days following receipt by the Client of the Contractor's proposed Work Plan, the Client shall review and either (i) approve the Work Plan, or (ii) provide comments to the Contractor on the Work Plan. In the event that the Client provides comments to the Contractor on the Work Plan, the Contractor shall revise the Work Plan in accordance with the Client's comments and submit an updated version of the proposed Work Plan to the Client for review and approval. From and after the Client's receipt of the updated Work Plan, the Client will have an additional fourteen (14) calendar day period to review the updated Work Plan. This process will continue in an iterative manner until the Client approves the Work Plan.

Task 1 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all the work performed and findings from Task 1, including the minutes, participant list, presentations and records from the Kick-Off Meeting and the approved Work Plan.

III. CORE ELEMENTS - TASKS

The following tasks represent the core elements of the Activity. These are the typical elements called for in all FAA funded master plans and master plan updates.

Task 2: Existing Conditions Assessment and Inventory

The Contractor shall conduct an assessment of existing conditions and inventory ("Existing Conditions Assessment and Inventory") at the Palau International Airport ("ROR") to form the factual baseline for an informed judgment about the airport and its environment and to evaluate existing facilities and equipment. The assessment of existing conditions and inventory shall include the following areas:

- Airside.
- Landside.
- Terminal.
- Airport Environment.
- Climate and wind conditions.
- Land formation and topography.
- Land ownership.
- Socio-economic conditions.
- Airport transportation facilities and air carriers.
- Aircraft operations.
- Aviation related facilities.
- Air rescue/firefighting facility ("ARFF").
- Existing utilities.
- Water supply.
- Sewer system.
- Electrical power.
- Communications; and

- Roadways.

Task 2 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and findings from Task 2, including the results of the Existing Conditions Assessment and Inventory for the Project.

Task 3: Aviation Forecast

The Contractor shall utilize the most current information available and develop a reasonable aviation forecast for ROR for a planning horizon time period of 20 years, with intermediate milestones at five and ten years. The basis of forecasts shall be customized to reflect the unique nature of Palau’s projected growth, rather than the population and business growth-oriented model usually used for mainland U.S. airports. The Contractor shall conduct the aviation forecast analysis that includes at a minimum:

- Objectives:
 - Base case;
 - Optimized case;
 - Methodology;
 - Forecast resources;
 - Commercial aviation trends;
 - Corporate, commuter and general aviation trends;
 - Foreign tourism trends;
 - Bringing diversity to Palau’s tourism industry;
 - Hotel and tourism related development/construction;
- Socio-Economic Review:
 - Local demographic characteristics;
- Aviation Forecast:
 - Historical data pertinent to forecast; and
 - Base & optimized case forecast summary.

Task 3 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and findings from Task 3, including the results of the Aviation Forecast analysis performed under this Task.

Task 4: Demand/Capacity Analysis

The Contractor shall conduct a “Demand Capacity Analysis” involving the existing and anticipated levels of activity (i.e., demand) at ROR to be assessed for the airport facilities’ ability to handle (i.e., capacity) the demand. The Contractor shall perform three separate analyses for airside demand capacity, landside/access demand capacity, and terminal facility demand capacity.

Subtask 4.1: Demand Capacity Analysis

The Contractor shall conduct the “Demand Capacity Analysis” to include the following areas:

- Airfield/Airspace Capacity:
 - Factors affecting airfield capacity;
 - Runway/taxiway system capacity;
 - Meteorological conditions;
 - Aircraft fleet mix and aircraft mix index;
 - Commuter aircraft operations;
 - Percentage of arrivals of touch & go's;
 - FAA methodology in determining airfield capacities;
 - Airport capacity and annual service volume;
 - Aircraft delay;
 - Airside capacity conclusions;
 - Airspace capacity;
 - Taxiway and apron areas;
- Terminal Complex Capacity;
- Landside Capacity and Fueling Capacity:
 - Landside demand/capacity;
 - Aircraft fueling facilities;
- Facility Capacity Assessment Summary:
 - Runway;
 - Taxiway and apron areas;
 - Landside/access facilities;
 - Terminal complex facilities; and
 - Aircraft fueling facilities.

Subtask 4.2: ROR Runway Extension Analysis

The current runway at ROR is 7,200 feet long by 150 feet wide. Air carriers have expressed (to the Client) that the runway at ROR is too short to fly widebody aircraft with a full payload. The largest planes currently flying into ROR are B767-300s with restricted payloads. The Client wishes to entice airlines to fly larger aircraft to ROR with the objective of attracting more non-stop destinations and increasing tourism and passenger traffic in Palau.

As part of this Subtask, the Contractor shall conduct an analysis for the potential extension of the runway at ROR utilizing the FAA's "AC 150/5325-4B, Runway Length Requirements for Airport Design" and "Planning Information Needed for FAA Headquarters Review of Benefit Cost Analysis (BCA), 3/31/06" and provide a report to the Client on the findings. The Contractor shall also contact the air carriers currently serving ROR to discuss their runway needs and the business case for flying larger aircraft and/or adding more non-stop destinations to Palau. The BCA shall include consideration of alternatives if the runway extension at ROR is determined to be technically or economically infeasible.

Task 4 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings from Task 4, including the results of the Demand/Capacity Analysis and the ROR Runway Extension Analysis.

Task 5: Facility Requirements

The Contractor shall conduct an assessment of the ability of existing ROR airport facilities to meet current and future demand and determine if additional facilities will be required to accommodate forecast activity. The Contractor shall conduct this “Facility Requirements Analysis” covering the following areas:

- Design Standard Issues;
- Airside Facilities:
 - Airport reference code;
 - Critical design aircraft;
- Runway Requirements:
 - Runway orientation (wind analysis);
 - Runway length analysis;
 - Runway width;
 - Pavement strength;
 - Runway grades;
 - Runway blast pad;
 - Safety area design standards;
- Runway Safety Area (RSA):
 - Object free area (OFA);
 - Approach surfaces and runway protection zones;
- Taxiway Requirements:
 - Apron requirements;
 - Airfield markings, lighting and signage requirements;
 - Airfield markings;
 - Airfield lighting;
 - Airfield signage;
 - Navigational and approach aids; and
 - Facility requirements summary.

Task 5 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings from Task 5, including results from the Facility Requirement Analysis.

Task 6: Utilities

The Contractor shall identify the needs for future facilities upgrades for the required utilities. The Contractor shall conduct an inventory of existing utilities serving ROR (“Utilities Inventory”) and develop an overall utility plan for planning purposes that shall include, but not be limited to, the following:

- Power (including back-up power):
 - Airfield electrical systems responsibilities;
 - Main terminal building electrical systems;
 - ARFF electrical systems;

- The Contractor shall consider the extent to which renewable energy sources could be utilized to power the required utilities.
- Communications;
- Potable Water/Sanitary System/Storm Water System:
 - Potable water;
 - Sanitary sewer;
 - Storm water system;
 - Aircraft fueling system;
 - Remedial work required; and
 - Future needs.

Task 6 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings from Task 6, including the results from the Utilities Inventory performed under this Task.

Task 7: Land Use Planning

The Contractor shall conduct a review of present airport land use, identification of airport property, and alternate development schemes for aviation related developments on and near ROR property. The Contractor shall conduct a workshop session with ROR airport officials and stakeholders (as identified by the Client) to receive the best conceptual ideas for aviation related development at ROR and examine the various land use planning for the various airport facility upgrades and environmental impacts.

The Contractor shall provide an outline of mitigation guidelines to ensure that aviation related development is implemented in an environmentally responsible manner. The Contractor shall conduct the land use planning Task covering the following areas:

- Terminal Complex/South apron areas:
 - Terminal expansions;
 - South apron areas;
 - Fuel farm expansions;
- North Airfield Area:
 - Potential new fuel farm;
 - North apron areas;
 - Potential cold storage facility;
 - General aviation hangars;
 - Fixed base operator/Multi-use facility;
- Midfield Area:
 - Aviation facilities;
 - Facility requirements; and
- Other airport areas relevant to land use planning, to include air cargo facilities.

Task 7 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings from Task 7.

Task 8: Preliminary Environmental Assessment

Subtask 8.1: Preliminary Environmental Assessment

The Contractor shall develop a “Preliminary Environmental Assessment” to consider the environmental factors associated with the master planning process to include an inventory of ROR environmental setting, the identification of potential environmental impacts for aviation developments, and the identification of environmental related permits that may be required for the recommended aviation development projects. The preliminary environmental assessment shall also include a review of future climate impacts at ROR and development of mitigation strategies. The Contractor shall conduct the preliminary environmental assessment to include the following areas:

- Summary of General Conditions:
 - History and culture;
 - Air quality;
 - Water quality;
 - Marine environment;
 - Terrestrial environment;
 - Land use;
- Potential Environmental and Climate Impacts:
 - Methodology for assessing impacts, including the impacts of adverse weather conditions and erosion;
 - Potential runway extension environmental impacts;
 - Mitigation strategies;
- Environmental Laws:
 - Republic of Palau; and
 - United States.

Subtask 8.2: In-Depth Climate Analysis

The Contractor shall conduct an in-depth climate analysis (“Climate Analysis”). This analysis must include, at a minimum:

- Potential climate risks, vulnerabilities, and opportunities associated with the Project, including adverse weather;
- Additional analysis that may be required in connection with Host Country climate risks;
- Current and future climate risks and their influence on the Project’s investments, construction, operations, and maintenance;
- Relevant technical, social, economic, and political aspects of climate risks;
- Recommendations on how to address climate risks associated with the Project;
- Current and projected climate conditions and trends at proposed Project facility locations;
- Local adaptive capacity, such as institutional readiness, of the Client and Internal Stakeholders;
- Adaptive capacity of Client’s existing airport facilities, technology, systems, and staff;
- Opportunities to manage climate risks through policy and institutional interventions;

- Identification of non-climate disaster risks and recommendations on how to address them; and
- Recommendations on how to improve the overall resiliency of the Client and the airports based on the Climate Analysis.

Task 8 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings from Task 8, including the Preliminary Environmental Assessment and Climate Assessment performed as part of this Task.

Task 9: Facilities Implementation Plan and Capital Improvement Plan

The Contractor shall prepare a “Facilities Implementation Plan” to provide guidance to the Client on how to implement the findings and recommendations of the master planning effort.

Subtask 9.1: Facilities Implementation Plan

The Contractor shall prepare the Facilities Implementation Plan to provide the Client and the FAA with the information required to integrate the master plan’s recommendations with the daily operational activities at ROR.

The Contractor shall prepare the Facilities Implementation Plan to address all of the airport’s planned capital projects at ROR (including any such projects that are not associated with the recommendations of the master plan) to ensure that adequate fiscal, staff, scheduling, and other resources are available. Because the Facilities Implementation Plan may change from year to year in response to changing airport conditions, the Contractor shall prepare the Facilities Implementation Plan so that it is easy for the Client to update after the master plan is completed.

The Contractor shall prepare the Facilities Implementation Plan to balance funding constraints, project sequencing limitations, environmental processing requirements, Client and tenant approvals and coordination processes, business issues such as leases and property acquisition, and the Client’s preferences. The Facilities Implementation Plan must also be coordinated with the Airport Layout Plan (defined below in Task 10).

Subtask 9.2: Capital Improvement Plan

The Contractor shall prepare a “Capital Improvement Plan” for ROR as part of the development of the Facilities Implementation Plan over the 20-year planning horizon, with intermediate milestones at five and ten years. The Capital Improvement Plan shall include all airport planning and development projects at ROR that are both eligible and ineligible for FAA’s Airport Improvement Program (“AIP”) funding.

The Contractor shall prepare the Capital Improvement Plan where specific projects shall be described as project listings on a master table, on individual project data sheets, or in project booklets according to the Client’s needs. The Contractor shall consult with the Client on the preference for preparing the project listing, and the project descriptions shall include the following types of information:

- Project identification (name and project number);
- Project scope (detailed project description and illustrations);
- Concise project purpose or objective (i.e., why the project is needed);
- Project schedule (e.g., dates for pre-design, design, construction, close out, and start-up);
- Prerequisites, dependent, and interrelated projects;
- Project budget (e.g., construction cost estimate, quantities, unit costs, soft costs, and contingencies);
- Environmental processing required;
- Funding information (AIP grant and passenger facility charge estimates, other funding sources);
- Special considerations (e.g., lease considerations, property acquisition requirements, known environmental mitigation requirements, and site constraints);
- Identification of responsibilities (key activities and when they must be completed, by agency, organization, position, or person); and
- Benefit/cost information.

Task 9 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings from Task 9, including the Facilities Implementation Plan and Capital Improvement Plan.

Task 10: Airport Layout Plans

The Contractor shall develop the “Airport Layout Plan” (or “ALP”) to illustrate existing and future aviation related developments at ROR. The Contractor shall utilize the latest FAA criteria for the preparation of ALPs and the various airspace drawings required per the FAA advisory circulars. The Contractor shall prepare and provide the ALP to include the following:

- Overview/Summary of ALP Set;
- Title sheet;
- Airport Layout Plan drawings;
- Airport surfaces;
- Terminal area plan;
- Land use plan; and
- Airport property map.

Task 10 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings from Task 10, including the ALP developed under this Task.

Task 11: Airport System Review

The Contractor shall conduct an “Airport System Review”, focusing on the Peleliu and Angaur airstrips in the Host Country. The airport system review shall be developed for planning purposes, information, and guidance to decide the extent, type, location, and timing of airport development

needed in the Host Country. The Contractor shall conduct the airport system review to include the following elements:

- Exploration of general issues that impact aviation in the Host Country;
- Inventory of the current airport system;
- Airport system needs identification;
- General overview of forecast airport system demand;
- Consideration of alternative airport systems;
- Definition of airport roles and policy strategies;
- Airport system-wide development rough order of magnitude (“ROM”) cost estimates;
- Standards prescribed by the Host Country and other organizations, such as the FAA and International Civil Aviation Organization (ICAO), for airport development; and
- Preparation of recommendations.

The Contractor shall provide recommendations based on the airport system review (focusing on the Peleliu and Angaur airstrips) to provide guidance to the Client on how to maximize the system benefits of airport investments, identifying the roles and characteristics of existing and recommended new airports in the Host Country, and describing the overall development required at each, including timeframes and ROM project costs, as well as to assist the Client in the establishment of perspectives on aviation priorities, such as airport funding and policy strategies.

Task 11 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings of Task 11, including the Airport System Review report.

IV. NON-CORE ELEMENTS - TASKS

Task 12: Development Impact Assessment

The Contractor shall conduct a development impact assessment (the “DIA”) that includes quantitative and qualitative analyses of the potential developmental impact of the projects recommended by the Activity. The DIA must pay specific attention to the indicator in the table below, as well as others that may be proposed by the Contractor and approved by USTDA.

Sector	Category	Indicator	Definition	Measure
Transportation	Infrastructure Development and Efficiency Gains	Improved Mobility through Transportation Infrastructure	The Project is anticipated to lead to upgrades to the ROR airport that result in improved international air cargo services.	Increase in movements (number of flights) per year

For the qualitative analysis, the Contractor shall provide narrative descriptions of how the implementation of the projects recommended by the Activity are anticipated to impact each

indicator. For the quantitative analysis, the Contractor shall provide a baseline measurement and anticipated outcome for each indicator. The DIA must clearly articulate the anticipated timeline for the realization of these outcomes, how such information can be measured and what sources could be utilized to determine whether the outcome was realized. The Contractor shall work closely with the Client to ensure that the projected developmental impacts are viable and measurable.

The Contractor shall also quantify the anticipated impact of the projects recommended by the Activity with respect to the following metrics at a minimum:

- The creation of new direct and indirect jobs;
- The increase in tourism activity in the Host Country;
- The increase of air services for cargo and passengers in the Host Country; and
- The attraction of new air carriers to the Host Country.

For each of the foregoing metrics, the Contractor shall include a narrative description, baseline measurement and anticipated outcome. The Contractor shall consider benefits for the Client and the Host Country as a whole that are expected to result directly (*e.g.*, construction, services, support, and maintenance) and indirectly (*e.g.*, knowledge transfer, skills, productivity and infrastructure) from the implementation of the projects recommended by the Activity.

Task 12 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings of Task 12, including the DIA.

Task 13: U.S. Sources of Supply Analysis

The Contractor shall develop a U.S. Sources of Supply Analysis (the “USSSA”). The USSSA shall include a list of U.S. suppliers of goods and services that would be relevant to the implementation of the projects recommended by the Activity. The list should also include potential U.S. sources of services that the Client may need for the successful technical and commercial operation of the airports in the Host Country.

The Contractor shall identify at least twenty (20) potential U.S. suppliers in total across different categories of the goods and services required for the implementation of the projects recommended by the Activity. For each U.S. source of supply identified in the USSSA, the Contractor shall provide: (i) a detailed description of relevant goods and/or services that are available, (ii) any information regarding the sourcing location and percentage of U.S.-sourced content for the relevant goods and/or services, (iii) the U.S. supplier’s capacity and level of interest in supplying goods and/or services for the Client, and (iv) up-to-date contact information, including the name, title, email, and phone number, if available, for the party or parties responsible for marketing/sales in the Host Country.

The Contractor shall make direct contact with the identified potential U.S. suppliers. Where possible, the Contractor shall meet with potential U.S. suppliers (in-person or virtually) to better understand their interest in the projects recommended by the Activity. The Contractor shall also identify any potential challenges for U.S. suppliers and ways to mitigate these challenges.

Task 13 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings of Task 13, including the USSSA.

Task 14: Airport Master Plan and Airport System Review Final Presentation

The Contractor shall deliver a presentation on the results from the Airport Master Plan and Airport System Review to the Client, either in-person (at the Client’s main offices or another mutually agreed upon location in the Host Country) or remotely via video conference or similar means (the “Final Presentation”). Participants for the Final Presentation must include, at a minimum, the Contractor, the Client and the Internal Stakeholders. The Contractor shall coordinate with the Client on relevant topics to be discussed during the Final Presentation. During the Final Presentation, the Contractor shall, at a minimum:

- Provide an agenda and any relevant handouts and presentation materials for all meeting attendees;
- Present the final results and recommendations of the Airport Master Plan and Airport System Review; and
- Clarify any technical, environmental, commercial, financial, legal and/or regulatory issues identified by the Contractor over the course of performing the Activity.

The Client shall provide (at its own expense) the venue, audiovisual and any other required equipment, and any meals, snacks, and refreshments for the Final Presentation. The Client shall be responsible for inviting the Internal Stakeholders’ attendees, and the Contractor shall manage the participant registration process. The Contractor shall conduct the Final Presentation, facilitate the discussion, take meeting minutes and maintain presentation records, including the agenda, presentation materials and a list of all participants.

The Contractor shall incorporate into the Airport Master Plan and Airport System Review reports any substantive feedback provided by the Client and the Internal Stakeholders during or immediately after the Final Presentation. If the Airport Master Plan and Airport System Review reports substantively change as a result of feedback received during or following the Final Presentation, the Contractor shall provide the updated reports to the Client within fourteen (14) calendar days following the Final Presentation to the Client. The Client shall review and either (i) approve the Airport Master Plan and Airport System Review reports, or (ii) provide comments to the Contractor on the reports. In the event that the Client provides comments to the Contractor on the Airport Master Plan and Airport System Review reports, the Contractor shall revise the reports in accordance with the Client’s comments to the extent possible and submit an updated version of the proposed Airport Master Plan and Airport System Review reports to the Client for review and approval. From and after the Client’s receipt of the updated reports, the Client will have an additional fourteen (14) calendar day period to review the updated Airport Master Plan and Airport System Review reports. This process will continue in an iterative manner until the Client approves the Airport Master Plan and Airport System Review reports.

Task 14 Deliverable: The Contractor shall prepare and deliver to the Client a written report that contains a summary of all work performed and the findings of Task 14, including the final Airport

Master Plan and Airport System Review reports and the minutes, participant list, presentations and records from the Final Presentation.

Task 15: Final Report

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

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

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

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 National Aviation Administration (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 deliver technical assistance (the “Activity”) related to the proposed upgrades to the airport master plan for the Palau International Airport and airport system review (the “Project”) located in the Republic of Palau (the “Host Country”). Each of the Client and the Contractor is referred to herein as a “Contract Party”, and collectively as the “Contract Parties”.

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

In addition, (i) in the event of any inconsistency or conflict between the terms and provisions of the Grant Agreement 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.

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 22/28 1001
Activity No.: 2025-31012A
Reservation No.: 2025081
Grant No.: 1131PL25GH31081

N. Taxes

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

O. Compliance with Trade-Related Laws

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

comply with the provisions of this Clause O, the Contractor shall promptly (but in any event, within three (3) business days) notify USTDA.

P. Change of Control

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

Q. Liability

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

R. Arbitration

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

S. Reporting Requirements

The Contractor shall advise USTDA as to the status of the Project at least one (1) time per year for a period of two (2) years after completion of the Activity. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and shall designate the Contractor’s point of contact related to such follow-on work, including such person’s name,

title, address, telephone number and email address. Because this information may be made publicly available by USTDA, any Confidential Information must be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such Confidential Information, subject to and in accordance with applicable U.S. law.

APPENDIX 4

REFERENCE TASK VALUES

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

Reference Task Values		
Task Number & Title	Estimated Value	% of Total
Task 1: Kick-Off Meeting and Work Plan	\$89,050	8%
Task 2: Existing Conditions Assessment and Inventory	\$101,250	9%
Task 3: Aviation Forecast	\$58,350	5%
Task 4: Demand and Capacity Analysis/Runway Extension Analysis	\$199,000	17%
Task 5: Facility Requirements	\$146,500	13%
Task 6: Utilities	\$34,100	3%
Task 7: Land Use Planning	\$53,500	5%
Task 8: Preliminary Environmental Assessment	\$26,350	2%
Task 9: Facilities Implementation Plan and Capital Improvement Plan	\$130,000	11%
Task 10: Airport Layout Plans	\$34,100	3%
Task 11: Airport System Review	\$123,050	11%
Task 12: Developmental Impact Assessment	\$29,350	3%
Task 13: U.S. Sources of Supply Analysis	\$15,800	1%
Task 14: Airport Master Plan and Airport System Review Final Presentation	\$94,500	8%
Task 15: Final Report	\$35,400	3%
Total:	\$1,170,300	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.