

REQUEST FOR PROPOSALS

TECHNICAL ASSISTANCE FOR THE LATVIA: AIR TRAFFIC MANAGEMENT SYSTEM – ADVANCED MODERNIZATION PROGRAM

Submission Deadline: **4:00 p.m.**
LOCAL TIME
15 OF JANUARY, 2009

Submission Place:

Tender Committee
SJSC Latvijas Gaisa Satiksme
Riga International Airport
Riga, LV-1053, Latvia
Tel: +371- 67 -300 950
Fax: +371 -67-300 803

SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.

REQUEST FOR PROPOSALS

SECTION 1: INTRODUCTION	12
1.1 BACKGROUND SUMMARY	12
1.2 OBJECTIVE	17
1.3 PROPOSALS TO BE SUBMITTED	18
1.4 CONTRACT FUNDED BY USTDA	21
SECTION 2: INSTRUCTION TO PROPOSERS.....	22
2.1 PROJECT TITLE.....	22
2.2 DEFINITIONS.....	22
2.3 REGISTRATION	23
2.4 EXAMINATION OF DOCUMENTS	25
2.5 PROJECT FUNDING SOURCE	26
2.6 RESPONSIBILITY FOR COSTS	26
2.7 TAXES	27
2.8 CONFIDENTIALITY.....	28
2.9 ECONOMY OF PROPOSALS	28
2.10 SUBSTANTIVE PROPOSALS.....	29
2.11 CONDITIONS REQUIRED FOR PARTICIPATION	30
2.12 OFFEROR QUALIFICATIONS.....	32
2.13 OFFEROR COMPLIANCE WITH THE NATIONAL LAW OF THE HOST COUNTRY	32
2.14 LANGUAGE OF PROPOSAL.....	34
2.15 PACKAGING.....	34
2.16 AUTHORIZED SIGNATURE.....	35
2.17 EFFECTIVE PERIOD OF PROPOSAL, ITS WITHDRAWAL OR MODIFICATION.....	36
2.18 INFORMATION EXCHANGE	37
2.19 EXCEPTIONS.....	38
2.20 RIGHT TO REJECT PROPOSALS.....	39
2.21 PRIME CONTRACTOR RESPONSIBILITY	40
2.22 AWARD	41
2.23 COMPLETE SERVICES.....	41
2.24 INVOICING AND PAYMENT	42
2.25 PROPOSAL SUBMISSION REQUIREMENTS.....	43
SECTION 3: PROPOSAL FORMAT AND CONTENT.....	46
3.1 REQUIRED CONTENT AND SELECTED DOCUMENTS	47
3.1.1 SECTIONS AND CONTENTS:.....	48
3.1.2 SELECTED DOCUMENTS	49
3.2 DETAILED REQUIREMENTS FOR EACH SECTION.....	50
3.2.1 Section 1: Introduction and Executive Summary.....	50
3.2.2 Section 2: Company Information	51
3.2.3 Section 3: Organizational Structure, Management, and Key Personnel	53
3.2.4 Section 4: Technical Approach and Work Plan	55
3.2.5 Section 5: Experience and Qualifications.....	57
SECTION 4: EVALUATION AND AWARD CRITERIA.....	60
4.1 TENDERING PROCEDURE BY THE COMMITTEE.....	60
4.2 PROPOSAL OPENING MEETING	62
4.3 AWARD CRITERIA.....	64
4.4 PROPOSAL EVALUATION PROCEDURE	66
4.5 RIGHTS AND DUTIES OF THE COMMITTEE.....	72
ANNEX NO.1 - LETTER OF THE APPLICATION TO THE TENDER.....	74
ANNEX NO.2 - TERMS OF REFERENCE AND MANDATORY CONTRACT CLAUSES.....	77
ANNEX NO.3 - USTDA NATIONALITY REQUIREMENTS.....	146

ANNEX NO.4 - FEDBIZOPPS ANNOUNCEMENT153

SECTION 1: INTRODUCTION

The U.S. Trade and Development Agency (“USTDA”) has provided a grant to Latvijas Gaisa Satiksme (LGS) to fund Technical Assistance on upcoming modernizations to Latvia’s Air Traffic Management System. The Terms of Reference and Mandatory Contract Clauses are attached at Annex 2 for reference. LGS is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to carry out the Technical Assistance.

1.1 BACKGROUND SUMMARY

Since 2003 the air traffic volume at Riga International Airport (RIX) has increased at unprecedented annual rates. More recently, two carriers have expressed interest in offering direct intercontinental flights out of RIX, and in establishing the airport as a regional maintenance hub. While positive from an economic standpoint, these developments have begun to place strains on RIX’s current technology and infrastructure, and have made security concerns more acute. Considerable upgrades and expansion of the airport’s navigation and air traffic control (ATC) facilities are needed to accommodate the continuing growth.

The LGS therefore intends to begin a complex modernization of the Latvian ATM systems’ infrastructure. The LGS plans to do this via a comprehensive ATC upgrade, which entails construction of a new Area Control Center in Riga and a new ATC tower equipped with modern ATM systems. In addition, The LGS proposes to launch a program of ongoing modernizations that will maintain or replace outdated equipment on a regular basis. The USTDA-funded Technical Assistance in question will shape the LGS implementation plan that is to proceed over the next ten years, refurbishing and accumulating facilities and equipment according to technological appropriateness and the availability of financing.

The LGS is Latvia’s air navigation services provider – a state-administered joint-stock company founded in 1991 that reports to the Latvian Ministry of Transport. It is responsible for all of Latvia’s air traffic navigation services. It coordinates search and rescue activities, performs aviation-related meteorological services, oversees ATM planning and flow, provides aeronautical aviation services, and contracts out for various technical and training services. Its organizational objectives are to ensure the safety and optimal use of Latvian airspace for all users, and to operate with financial self-sufficiency. The LGS does not have the state budget funding; it draws nearly all its revenue from collected air navigation charges. LGS is one of the largest taxpayers in Latvia.

LGS requisites:

State Joint Stock Company “Latvijas Gaisa Satiksme”
LUR Nr.40003038621
VAT Registration Number LV40003038621
Address: Riga International Airport
Riga, LV – 1053, Latvia
Phone + 371 67300950
Fax + 371 67300803

1.2 OBJECTIVE

The Technical Assistance is intended to help the LGS plan and prepare for the technical and financial aspects of an air traffic modernization project, which entails research and advisory services in the beginning stages of an air traffic control infrastructure development and modernization in Latvia. Improvements to be covered by the Technical Assistance include the implementation of a new Area Control Center in Riga and a new ATC tower equipped with modern Air Traffic Management ("ATM") systems. Additionally, the Technical Assistance will advise LGS in planning for a program of ongoing modernizations that will maintain or replace outdated equipment on a regular basis. The Terms of Reference (TOR) for this Technical Assistance is attached in Annex 2.

1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. –

- A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

- A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

- A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

- A non-profit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

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.

COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted; upon detailed evaluation of technical proposals, one firm will be selected for contract negotiations. The amount for the negotiated contract has been established by a USTDA grant of U.S. \$690,170.

In line with the national procedure of the host country, proposals will be selected in accordance with their economic profitability by applying the evaluation criteria, which are specified in Section 4.4.

1.4 CONTRACT FUNDED BY USTDA

The negotiated contract will be funded by USTDA in accordance with the terms and

conditions of its Grant to the LGS. The contract must include certain USTDA mandatory clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA Nationality Requirements are attached at Annex 3 and the USTDA Mandatory Clauses are attached at Annex 2 for reference.

SECTION 2: INSTRUCTION TO PROPOSERS

2.1 PROJECT TITLE

The project is called "Technical assistance for "Latvia: Air Traffic Management System – Advanced Modernization Program."

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. individual, or 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 REGISTRATION

The U.S. firms or U.S. individuals who have received the RFP from the USTDA, as publicized in the FEDBIZOPPS ANNOUNCEMENT (inserted in Annex 4 for reference), and intends to submit the proposal, shall contact LGS to confirm their participation. The confirmation may be faxed to the LGS Tender Committee at +371 67300803 or mailed to iepirkumi@lgs.lv including the following information:

- firm's name, address,
- contact person,
- his/her title,
- telephone and fax numbers, and e-mail.

Please note that LGS **can not guarantee further information exchange or communication with unregistered Offerors.**

2.4 EXAMINATION OF DOCUMENTS

Offerors shall 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 U.S. \$690,170.

2.6 RESPONSIBILITY FOR COSTS

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

2.7 TAXES

Offerors should submit proposals which note that in Annex 2, USTDA Mandatory Contract Provisions, USTDA funds are not to be used to pay taxes or duties under the laws of host country.

2.8 CONFIDENTIALITY

The Grantee will use its best efforts to preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror.

2.9 ECONOMY OF PROPOSALS

Proposal documents should be prepared simply and economically, providing a comprehensive and concise description of the Offeror's capabilities to satisfy the requirements of the RFP. There is no necessity for expensive bindings, colored displays, or other promotional material unless such material is absolutely pertinent to the proposal. Emphasis should be placed on completeness and clarity of content.

2.10 SUBSTANTIVE PROPOSALS

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on the 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 himself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

Only a U.S. firm or U.S. individual are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from host country for up to 20 percent of the amount of the USTDA grant. Although those proposals may include subcontracting with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

USTDA nationality requirements are detailed in Annex 3.

2.12 OFFEROR QUALIFICATIONS

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory and Technical Assistance services similar to those required in the TOR.

2.13 OFFEROR COMPLIANCE WITH THE NATIONAL LAW OF THE HOST COUNTRY

Offeror must comply with the national law of the host country. The Latvian law obligates to ban Offeror if a) a court verdict of guilty has been brought on Offeror's involvement in illicit organization, corruption, financial frauds, or legalization of proceeds from crime; this clause may refer either to the Offeror or any physical or legal entity, such as but not limited to entities empowered with representation power, decision-making or surveillance (supervision) rights b) Offeror is declared insolvent or undergoes the bankruptcy procedure, or its economic activities are suspended or terminated, or legal proceedings are taken on its activity termination, insolvency or bankruptcy c) Offeror has tax or obligatory social insurance debts in the country where it is registered or in Latvia, d) a final effective verdict of the court or an adjudgment of any other competent authority that bears evidence of violation of relevant acts that relate to the field of Offeror's specialization, environment, competition or employment, and have been passed within last three years, e) Offeror has submitted false or no information on its qualification.

2.14 LANGUAGE OF PROPOSAL

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

2.15 PACKAGING

Each proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labelled for content including "ORIGINAL" or "COPY NUMBER X"; the original and two (2) copies, and a copy on CD/DVD media should be collectively wrapped and sealed, and clearly marked for content: Proposal for "Technical assistance for Latvia: Air Traffic Management System – Advanced Modernization Program". Not to be opened till 15 of January 2009, 4:00 p.m. (local time).

Neither USTDA nor the LGS will be responsible for premature opening of proposals not properly labelled.

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, ITS WITHDRAWAL OR MODIFICATION

The proposal shall be binding upon the Offeror for sixty (60) 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, and made available to the Tender Committee prior to the due date.

Such withdrawals or modifications shall be prepared, and submitted in an envelope marked accordingly as the "AMENDMENT TO THE PROPOSAL" or "WITHDRAWAL OF THE PROPOSAL".

2.18 INFORMATION EXCHANGE

Offerors may request additional information about the RFP and the contract award procedure by the proposal submission due date. Please note that such information will be sent only to the Offerors who have registered their participation with the LGS as required by the section 2.3. The information will be distributed by circulating reply.

Please fax your queries to +3716300803 or e-mail to iepirkumi@lgs.lv. Please note that no telephone requests will be honoured. Requests by post are also welcome if the Offeror ensures they reach LGS in time for preparation of an adequate response. Requests submitted within six days before the due date will not be answered.

2.19 EXCEPTIONS

Firms agree by their response to the RFP announcement to abide by the procedures set forth therein. Material modifications in the TOR or responsibilities of the parties will not be accepted.

Any exceptions in the proposal shall be clearly identified, and shall include the scope of such exception, and its impact, on the procurement. The LGS shall make final determination as to the responsiveness of such exceptions and their acceptability.

2.20 RIGHT TO REJECT PROPOSALS

The Grantee reserves the right to reject any and all proposals and to accept or reject any or all of the items in the proposal, and to award the contract in whole or in part if it is deemed in the best interest of the Grantee.

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 consultants and subcontractors. USTDA nationality provisions are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all mandatory USTDA clauses, to be inserted in all subcontracts ensuing to ensure fulfilment of all contractual provisions by subcontractors.

2.22 AWARD

An award resulting from this RFP shall be made to the best qualified Offeror, taking into consideration the evaluation factors set forth herein; however, the right is reserved to reject any and all proposals received and, in all cases, the Grantee will be the judge as to whether a proposal has or has not satisfactorily met the requirements of this RFP.

2.23 COMPLETE SERVICES

The successful Offeror shall be required to (a) furnish all supplies, supervision, transportation, and other execution accessories, services, and facilities; (b) provide and perform all necessary labour; and (c) in accordance with good technical practice, with due diligence, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete all specified work to the satisfaction of the Grantee.

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. Upon approval of each invoice, the Grantee will forward the invoice to USTDA which will process payment to the Contractor. All payments by USTDA under the Grant Agreement will be made in U.S. currency.

2.25 PROPOSAL SUBMISSION REQUIREMENTS

The proposal must be addressed to:

**Tender Committee
SJSC Latvijas Gaisa Satiksme
Riga International Airport
Riga, LV-1053, Latvia**

Proposal for "Technical assistance for Latvia: Air Traffic Management System –
Advanced Modernization Program"

Not to be opened till 15 of January 2009, 4:00 p.m. (local time)

TEL.: +371-67-300-950

FAX: +371-67-300-970

An Original and two copies and a copy on CD/DVD media of your proposal must be received at the above address no later than 4:00 PM (local time), on 15 of January, 2009.

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Proposals received by fax or e-mail cannot be accepted. Any proposal received after the deadline will be returned unopened.

Upon timely receipt, all proposals become the property of the LGS.

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. No cost proposal is required as the value of the USTDA grant is established at U.S. \$690,170.

Offerors shall submit one (1) original, two (2) copies, and a copy on CD/DVD media of the proposal. Proposals received by fax cannot be accepted.

3.1 REQUIRED CONTENT AND SELECTED DOCUMENTS

The following sections, content, and selected documents are required for each proposal:

3.1.1 SECTIONS AND CONTENTS:

- Cover/Title Page,
- Table of Contents,
- Introduction and Executive Summary,
- Company Information,
- Organizational Structure, Management Plan, and Key Personnel,
- Technical Approach and Work Plan,
- Experience and Qualifications, and
- Miscellaneous.

3.1.2 SELECTED DOCUMENTS

The following selected documents must be included in the proposal as its integral part:

- Letter of the application to the Tender (in a format specified by the Annex 1);
- Certificate of incorporation;
- Power of Attorney to certify that the proposal is signed by a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror

3.2 DETAILED REQUIREMENTS FOR EACH SECTION

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

3.2.1 Section 1: Introduction and Executive Summary

An Executive Summary should be prepared describing the major facts or features of the proposal, including any conclusions, assumptions, and generalized 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.

3.2.2 Section 2: Company Information**a) Company Profile**

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), similar information must be provided for each subcontractor. Offerors are requested to limit the length of the Company Profile Information to one (1) page per firm.

1. Name of firm and business address, including telephone and fax numbers.
2. Year established (include former firm names and year established, if applicable).
3. Type of ownership and parent company, if any.
4. Project Manager's name, address, telephone and fax number, if different from (1).

b) Offeror's Authorized Negotiator

Provide name, title, address, telephone 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.

c) Negotiation Prerequisites

1. Discuss any impact of any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Technical Assistance as proposed and within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

3.2.3 Section 3: Organizational Structure, Management, 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 must have the responsibility and authority to act on behalf of the Offeror in matters related to the proposed Technical Assistance.

Provide a listing of personnel (including subcontractors and consultants) to be engaged in the project, either U.S. or local 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 organizational relationship between the firms must be described.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the 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.

3.2.4 Section 4: Technical Approach and Work Plan

Describe in detail the proposed technical approach and work plan. Discuss the project requirements as perceived by the Offeror. Include a brief narrative of 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 Technical Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Technical Work Plan, and previous project experience, explain when and where Offeror will require support from the Grantee. Detail the amount of staff time required by the Grantee or participating agencies and any work space or facilities needed to complete the Technical Assistance.

3.2.5 Section 5: Experience and Qualifications

Provide a discussion of the Offeror's experience and qualifications which 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. Relevant experience and qualifications of key staff proposed shall be provided including letters of commitment from the individuals proposed concerning their availability for contract performance.

As many as possible but not more than six (6) relevant and verifiable project references must be provided, 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 or larger in scope than the Technical Assistance as described in this RFP.

SECTION 4: EVALUATION AND AWARD CRITERIA**4.1 TENDERING PROCEDURE BY THE COMMITTEE**

Individual proposals will be initially evaluated by the Tender Committee of representatives from the LGS. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors, and the LGS shall promptly 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 shall then be undertaken with the second most qualified Offeror and so forth.

Tender Committee will register each individual proposal in the order of submission. The list will not be made public until the proposal opening date and time.

Any proposal, modification and withdrawal received after the due date will be returned unopened. The outer envelope of these late proposals and modifications shall be opened and the names of the Offerors submitting late proposals or modifications will be read out and recorded. The inner envelopes of all late submissions must be returned unopened to the respective Offeror.

4.2 PROPOSAL OPENING MEETING

Proposals will be opened at the Tender Committee's meeting at 4:00 p.m. (local time) on 15 of January, 2009 in the LGS premises. The meeting is public but is not mandatory. Offerors representatives (if any) are required to deliver the Power of Attorney to prove that they are empowered with the right to bind the Offeror. The proposal opening procedure will be recorded in the minutes of the meeting.

All received proposals will be grouped into the following categories:

- proposals received prior to the due date
- modifications received prior to the due date
- withdrawals received prior to the due date
- proposals, modifications and withdrawals received after the due date;

Chief of Tender Committee will announce the Offeror's name, time and date of submission of the proposal, its amendment or withdrawal.

The meeting will be closed once all proposals are opened. The Offeror may request and the Committee will hand out the Minutes of the meeting within 3 days.

4.3 AWARD CRITERIA

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

1. Similar Experience - Demonstrated experience and/or expertise in traditional ATM systems and communications, navigation and surveillance ("CNS") systems;

- experience with ATM systems planning, design or operations, including demonstrated project experience and expertise in: a) ground-based communication systems; b) navigational systems; c) radar systems; d) satellite-based navigational systems; e) traditional ATM technologies and CNS/ATM technologies; f) financing for aviation investment; and g) experience transitioning old ATM systems to new ATM systems while maintaining continuous operations (40%);
2. Company/Staff Background and Experience - Background and experience of the Contractor and/or Contractor team, including detailed resumes and detailing of prior experience. This includes the Offeror's general experience, ability to provide qualified people, and general ATC and ATM experience. All professional staff that is to be involved on the Technical Assistance shall be identified by name, title and role (25%);
 3. Project Approach - Approach to the Terms of Reference, including proposed work plan, schedule, approach and methodology for completing task elements (25%);
 4. Unique Qualifications - Unique qualifications, which distinguish the Offeror in its proposal for this Technical Assistance activity (10%).

Proposals which do not include all requested information may be considered non-responsive.

Price will not be a factor in contractor selection. To identify the best qualified Offeror LGS will apply a procurement procedure which requires selection of most profitable proposal in line with section 4.4.

4.4 PROPOSAL EVALUATION PROCEDURE

The Tender Committee will initially evaluate each individual proposal. Every member of the Committee will fill and sign an individual selection table for each Offeror, showing its compliance with RFP requirements. Selection tables will be summarized. Only Offerors who meet all requirements of RFP will be selected for the next steps; irrelevant Offerors will be excluded from further participation in the Tender.

The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors,

The following criteria will be applied in the following succession:

#	Criteria	Criterion's weight
1	Similar Experience	40
2	Company/Staff Background and Experience	25
3	Project Approach - Approach to the Terms of Reference	25
4	Unique Qualifications	10
	Total	100

The evaluation will be carried out correlatively, in such a manner that the best qualified Offeror will earn maximum 10 (ten) points in each criterion; other Offerors will be granted a

proportionally lower number. The points will be downgraded in a strict proportion against the best performance.

The following formula will be applied to qualify Offerors performance in each criterion:

$$\begin{aligned} & \text{Evaluation of Similar experience} = \\ & \text{Points (10 to 1) granted to Offeror for Similar Experience} \\ & \div \text{best qualified performance in Similar Experience} \times \\ & \text{criterion's weight (40);} \end{aligned}$$

$$\begin{aligned} & \text{Evaluation of Company/Staff Background and Experience} = \\ & \text{Points (10 to 1) granted to Offeror for Company/Staff} \\ & \text{Background and Experience} \\ & \div \text{best qualified performance in Company/Staff Background} \\ & \text{and Experience} \times \text{criterion's weight (25);} \end{aligned}$$

$$\begin{aligned} & \text{Evaluation of Project Approach - Approach to the Terms of} \\ & \text{Reference} = \\ & \text{Points (10 to 1) granted to Offeror for Project Approach} \\ & \div \text{best qualified performance in Project Approach} \times \text{criterion's} \\ & \text{weight (25);} \end{aligned}$$

$$\begin{aligned} & \text{Evaluation of Unique Qualifications} = \\ & \text{Points (10 to 1) granted to Offeror for Unique Qualifications} \\ & \div \text{best qualified performance in Unique Qualifications} \times \\ & \text{criterion's weight (10);} \end{aligned}$$

The Proposal which earns the highest total number of points summarized against all these criteria will be selected for contract negotiation.

4.5 RIGHTS AND DUTIES OF THE COMMITTEE

The Tender Committee will inform all Offerors on the Tender results and the name of the best qualified Offeror.

The Committee may request Offerors to specify any information contained in their proposal if it is pertinent to selection, compliance check, evaluation or any other aspect of the tendering procedure to ensure a fair and reliable result.

The Committee must ensure confidentiality of the information discussed and examined during the tender meetings.

ANNEX No.1 - LETTER OF THE APPLICATION TO THE TENDER

_____ of _____, 2008

Tender Committee

SJSC Latvijas Gaisa Satiksme

Riga International Airport , Riga LV-1053, Latvia

We hereby declare our free will to participate in the LGS Tender for the rights to execute _____ in accordance with the rules of RFP and the Grant Agreement, and to sign a Contract in case we will win the present Tender.

We understand and agree that you have full legal rights to accept any or all received proposals and refuse them all at any time during the Tendering procedure.

We hereby send you our Tender proposal, which will remain in force in accordance with the rules and terms mentioned in the RFP, as well as we guarantee that any information contained herein is precise and true.

Signature of the authorised person _____

First and last name of the signatory _____

The full address and other requisites of the Offeror _____

ANNEX No.2 - TERMS OF REFERENCE AND MANDATORY CONTRACT CLAUSES**Task A Collect and Review Information, Provide Initiation Meetings, and Perform Site Visits to Assess Current and Planned Infrastructure Development**

1. The Contractor shall collect and review the following information to be provided by State Joint Stock Company Latvijas Gaisa Satiksme (LGS or Grantee). Some of the following information may be provided specifically by LGS and some information may be gathered through meetings with the Contractor facilitated by LGS during the site visits to the airports:
 - The airport development plans of Riga International Airport (RIX) and five (5) of Latvia's regional airports including: Liepaja Airport; Ventspils Airport; Daugavpils Airport; Tukums Airport; and Elgava Airport;
 - The existing CNS/ATM Transition Plan for the country-by-country development and the regional development of CNS/ATM technologies with emphasis on the previous USTDA-funded feasibility study report and findings;
 - Current and projected international and domestic air traffic volumes;
 - LGS financial status and financing capabilities;
 - Current LGS staffing organizational chart;
 - Current LGS training, maintenance, and procedures; and
 - Other areas as required to address requirements of future tasks in this project.
2. The Contractor shall identify the airspace users' requirements, assessing current requirements and needs and reviewing anticipated trends for the overall Latvian air navigation system through consultation with a minimum of three airlines serving the Latvian market. LGS will identify the airlines to be consulted. The Contractor will also specifically review the requirements with regard to the new Area Control Center (ACC) and Aircraft Control Tower services.
3. The Contractor shall prepare for, conduct and participate in project initiation meetings with the LGS project participants. LGS participants shall be determined by LGS. The Contractor shall expect to spend a minimum of one (1) week (5 working days) for the initiation meetings. The intent of the initiation meetings is to provide an introduction of the Contractor team, review the terms of reference for the project, review the overall schedule, gather relevant background information, establish specific milestones for project deliverables, establish time schedules for review and comment by LGS, establish the general protocol of coordination with LGS, and establish location and dates of follow-on meetings. The Contractor shall make a presentation (MS PowerPoint) for the primary "kick-off" meeting. The initiation meetings are to take place at LGS's offices in Riga. For this and subsequent project-related meetings, the Contractor shall:
 - Coordinate with the LGS Project Coordinator on meeting content,
 - Prepare an agenda for the meeting prior to the meeting,
 - Prepare handouts for attendees at the meeting,
 - Conduct meeting,
 - Take minutes of the meeting and distribute minutes in a timely fashion to attendees,

- Provide an "Action Agenda" identifying specific responsibilities and assigned individual for follow-on activities,
 - Identify topics for follow-on meetings, and
 - Maintain records of the meeting for inclusion into the final report.
4. The Contractor will perform site visits to Riga International Airport, Liepaja Airport, Ventspils Airport, Daugavpils Airport, Tukums Airport, and Elgava Airport to assess current infrastructure of air navigation systems in Latvia and review current development plans. The Contractor shall expect to spend a minimum of two (2) weeks (10 working days) performing site visits and coordinating with LGS during this data collection phase. LGS will facilitate meetings with appropriate airport and air traffic personnel at each airport.

Deliverable: The Contractor shall provide LGS with a summary of the information documenting the task and subtasks results.

Task B Develop One Consolidated Air Traffic Management System - Advanced Modernization Program

1. LGS currently has three (3) independent elements of evaluation that identify or trigger needed improvements to the Latvian Air Traffic Management System. LGS desires to consolidate these independent elements into one integrated plan. The three elements include:
- a) Development plans of the airports, including RIX expansion plans and other plans for airport development at the regional airports;
 - b) Routine upgrades to existing air traffic management systems and equipment; and
 - c) Implementation of Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) systems and equipment as identified in a prior USTDA-funded feasibility study.

Based upon the review in Task A, the Contractor will identify and assess discrepancies and redundancies and identify a lack of and/or surplus of infrastructure to develop one combined, comprehensive, advanced modernization program for air traffic management.

2. The Contractor shall develop a Draft Consolidated Modernization Program including Operational and System requirements for air navigation services, including but not limited to the following components: ACCs, Approach Control, Air Traffic Tower Control, Pilot Briefing, Aeronautical Information Systems, Air Traffic Flow Management & Planning, Billing and Charges System, Aviation Safety, Meteorology, Surveillance, Navigation, Communication, Information Technology networks and solutions, power supply networks and solutions, and other areas as appropriate, focusing on the following Air Navigation Systems:
- a. Equipping the new ACC with a full set of Air Traffic Management Systems, including, but not limited to:
 - Automated Air Traffic Control System, comprising major functions like:
 - Multi-radar/multi-sensor tracking;
 - Advanced flight plan data processing;
 - Predicted flight trajectories;
 - History system, recording/playback system (situational data, voice, controllers inputs, service information);

- On-line data interchange;
 - Silent co-ordination and paperless Human Machine Interference;
 - Redundancy configuration;
 - An open architecture and simple expandability;
 - Monitoring Aids (deviations from the defined trajectory) functionality;
 - Medium Term Conflict Detection and the Safety Nets (Short Term Conflict Detection, Minimum Safe Altitude Warning, Area Proximity Warning)
- Voice Communication Management System;
 - Phone Switch System;
 - Information Technology infrastructure;
 - Aeronautical Fixed Telecommunication Network;
 - Documenting System;
 - Emergency Communication System;
 - Remote Control and Monitoring System for all peripheral air navigation equipment;
 - Automatic Terminal Information System/Metrological Information for Aircraft in Flight/Digital Automatic Terminal Information System/Digital Metrological Information for Aircraft in Flight/Digital Departure Clearance System;
 - Security Systems, Fire Alarm Systems and video monitoring systems;
 - Power Supply Systems infrastructure;
 - Others as appropriate.
- b. Equipping the new Control Tower with the full set of Air Traffic Management Systems;
- c. Implementation of the modular mobile aircraft control tower;
- d. Development of the Air Navigation Segment of the regional airports, including implementing new ATM Systems and technologies at the five regional airports identified in Task A.
- e. Development of an Advanced Surface Movement Guidance and Control System. Implementation of added functionality including Automatic Dependence Surveillance - Broadcast; Data link - Operational Terminal Information Service; Data link-Taxi Clearance System and introduction of the guidance function;
- f. Development and implementation of the procedures/navigation schemes for Global Navigation Satellite System (GNSS)-based approaches and landings;
- g. Introduction of the Air Traffic Message Handling Service;
- h. Upgrade of the Weather Observation Systems Infrastructure;
- i. Implementation of new Aeronautical Information Service Systems and applications;
- j. Others equipment and systems that are appropriate for modernization planning.
3. The Contractor shall develop the personnel training requirements and training program for the LGS personnel to accommodate the modernization program associated with the operational, technical and managerial staff including any staffing changes that would be appropriate due to the coming modernization.
4. The Contractor shall prepare for, conduct and participate in project meetings with the LGS project participants to review the recommendations associated with this task. The Contractor shall expect to spend a minimum of one (1) week (5 working days) for the meetings.

Deliverable: The Contractor shall provide LGS with the Draft Consolidated Modernization Program and documentation associated with the task and subtasks and take into consideration Grantee comments and incorporate those that are pertinent to the task deliverable.

Task C Review Appropriate Technologies and Determine Best Options for Implementation and Develop Configuration Design with Safety Analysis

1. Based on the Draft Consolidated Modernization Program requirements developed, the Contractor shall specifically identify technologies and systems that are appropriate to meet the requirements of the air traffic management needs for the Latvian system.
2. The Contractor will develop options to transition the existing air navigation systems to meet the requirements of the Modernization Program's technologies and systems. A cost versus operational benefit analysis will be conducted by the Contractor to determine the best options of the appropriate technologies for use in the Latvian air navigation system. The analysis will consider a life cycle approach for phasing out existing technology and costs for installing, operating, and maintaining new infrastructure. The Contractor will specifically address transition to CNS/ATM issues by comparing new technology options to cost-benefit trade-offs from reliance on current technologies.
3. The Contractor shall develop a configuration design as per the plans outlined in the developed Modernization Program. The Contractor shall provide a safety analysis for the configuration design to include addressing issues such as transition of existing procedures to new procedures based on new technologies, quality assurance of services, conflict analysis, integrity, independence, interdependence and redundancy of sources, and functional aspects of the design including training of personnel on usage and maintenance of equipment.
4. The Contractor shall identify scenario options for the development of the effective transitions and associated procedures to secure the normal, non-interrupted operations while introducing the new components with particular emphasis on identifying scenarios to address the transition of a new ACC and air traffic control tower at Riga International Airport. The Contractor shall also address requirements to validate/stabilize and shadow-mode operations during any transition of systems and equipment. The Contractor shall also identify and document the requirements for initial identification of up to three (3) sites/locations for the new aircraft control tower and ACC at Riga International Airport.
5. The Contractor shall prepare for, conduct and participate in project meetings with the LGS project participants to review the recommendations associated with this task. The Contractor shall expect to spend a minimum of one (1) week (5 working days) for the meetings.

Deliverable: The Contractor shall provide LGS with a documented review of appropriate technologies together with the configuration design supported by safety analysis. The Contractor shall consider the best transition options for implementation. The Contractor shall take into consideration Grantee comments associated with the task and subtasks and incorporate those that are pertinent to the task deliverable.

Task D Develop Phased Implementation Timetable and Financing Options

1. The Contractor will develop a phased investment plan for the Modernization Program, grouped in short-term (2009 – 2012) and mid-term (2013-2017) timetables, which prioritizes recommendations for the implementation scenarios. As part of the phased investment plan, the Contractor shall identify costs in the following categories: 1) technology, systems, and equipment, 2) training, 3) maintenance, 4) operating costs, and 5) appropriate staffing levels.
2. The Contractor will evaluate options for financing the Modernization Program. Although LGS may ultimately finance the cost of implementation, sources of public and private funds shall be identified. Specifically, the Contractor shall:
 - Assess the total Modernization Program budget and analyze/compare the anticipated expenses against the LGS Revenue Data (current and projected revenues provided by LGS);
 - Based on an optimal cash flow analysis, recommend financing options for implementation of equipment and systems;
 - Develop an action agenda outlining the steps necessary to apply for and/or secure interim and/or construction financing under each source, and identify terms and conditions. The sources of financing will include public sector financing and financing from commercial capital markets, equity financing from investors, suppliers' credits, bilateral tied credits provided by the U.S. Export-Import Bank and other combinations of options.
 - The Contractor will incorporate in the analysis a discussion of financial risks and suggest mitigating steps.
 - As needed, adjust the phasing of the Modernization Program resulting from the budget/financing considerations.
3. The Contractor shall prepare for, conduct and participate in project meetings with the LGS project participants to review the recommendations associated with this task. The Contractor shall expect to spend a minimum of one (1) week (5 working days) for the meetings.

Deliverable: The Contractor shall provide LGS with the Phased Implementation Timetable and Financing Options associated with the Draft Consolidated Modernization Program and take into consideration Grantee comments and incorporate those that are pertinent to the task deliverable.

Task E: Conduct Environmental and Development Impact Analysis

1. The Contractor shall review the project's anticipated impact on the environment with reference to local requirements and those of multilateral lending agencies (such as the World Bank). This review should identify potential negative impacts, discuss the extent to which they can be mitigated, and develop plans for a full environmental impact assessment if and when the project moves forward to the implementation stage. This includes the identification of steps that will need to be undertaken by the project sponsor subsequent to the study's completion and prior to project implementation. Positive impacts may possibly be created by the project and any such beneficial impacts should be highlighted.

2. The Contractor shall provide a development impact analysis of key host country Development Impacts. These Development Impact factors are intended to provide USTDA and interested parties with a broader view of the project's potential effects on the Host Country. The analysis shall focus on what Development Impact is likely if the project is implemented according to the Contractor's recommendations. While specific focus shall be paid to the immediate impact of the project, analysis shall include any additional developmental benefits that may result from the project's implementation, including spin-off and demonstration effects. Accordingly, the analysis shall include an assessment of each of the following categories with respect to the project's potential Development Impact:
 - (1) Infrastructure: Provide a statement on the infrastructure impact, giving a brief synopsis.
 - (2) Market- Oriented Reform: Provide a description of any regulations, laws, or institutional changes that are recommended and the effect they would have if implemented.
 - (3) Human Capacity Building: Assess the number and type of local positions that would be needed to construct and operate the proposed Project, as well as the number of local people who would receive training, and describe the training program.
 - (4) Technology Transfer and Productivity Enhancement: Provide a description of any advanced technologies that would be utilized as a result of the Project, and a description of any efficiency that would be gained.
 - (5) Other: Describe any other developmental impacts or benefits that would result from the Project, for example, follow-on or replication projects, safer workplace, increased good governance or improved financial revenue flows to the Host Country.

Deliverable: The Contractor shall provide LGS with the Environmental and Development Impact Analysis associated with the Draft Consolidated Modernization Program and take into consideration Grantee comments and incorporate those that are pertinent to the task deliverable.

Task F: Prepare Summary and Final Report

1. The Contractor shall prepare for, conduct and participate in meetings with the LGS project participants to present the final summary, conclusions, and recommendations of the project. The Contractor shall make a presentation (MS PowerPoint) for the primary summary meeting. The Contractor shall expect to spend a minimum of one (1) week (5 working days) for the meetings. The summary meetings are to take place at LGS's offices in Riga.
2. Upon incorporating the Grantee's comments that are pertinent, the Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Contractor shall identify prospective U.S. Sources of Supply in accordance with Clause I of Annex II of the Grant Agreement. The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to

the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement.

Notes:

- The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information
- The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

Deliverables

The Contractor shall provide all task/interim deliverables and the Final Report in English.

USTDA MANDATORY CONTRACT CLAUSES

A. USTDA Mandatory Clauses Controlling

The parties to this contract 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 State Joint Stock Company Latvijas Gaisa Satiksme ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the feasibility study ("Study") for the Air Traffic Management System Advanced Modernization Program project ("Project") in Latvia ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

All contracts funded under the Grant Agreement, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing in order to be effective with respect to the expenditure of USTDA Grant funds. USTDA will not authorize the disbursement of USTDA Grant funds until the contract has been formally approved by USTDA or until the contract conforms to modifications required by USTDA during the contract review process.

(2) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this contract and amendments thereto,

including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval 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 to such parties. Any approval or failure to approve by USTDA shall not bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

C. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

D. Recordkeeping and Audit

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the contract term and for a period of three (3) years after final disbursement by USTDA. The Contractor and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

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 law.

F. Workman's Compensation Insurance

The Contractor shall provide adequate Workman's Compensation Insurance coverage for work performed under this Contract.

G. Reporting Requirements

The Contractor shall advise USTDA by letter as to the status of the Project on March 1st annually for a period of two (2) years after completion of the Study. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, and fax number. Since this information may be made publicly available by USTDA, any information which is confidential shall be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

H. Disbursement Procedures**(1) USTDA Approval of Contract**

Disbursement of Grant funds will be made only after USTDA approval of this contract. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor a photocopy of an English language version of a signed contract or a final negotiated draft version to the attention of the General Counsel's office at USTDA's address listed in Clause M below.

(2) Payment Schedule Requirements

A payment schedule for disbursement of Grant funds to the Contractor shall be included in this Contract. Such payment schedule must conform to the following USTDA requirements: (1) up to twenty percent (20%) of the total USTDA Grant amount may be used as a mobilization payment; (2) all other payments, with the exception of the final payment, shall be based upon contract performance milestones; and (3) the final payment may be no less than fifteen percent (15%) of the total USTDA Grant amount, payable upon receipt by USTDA of an approved Final Report in accordance with the specifications and quantities set forth in Clause I below. Invoicing procedures for all payments are described below.

(3) Contractor Invoice Requirements

USTDA will make all disbursements of USTDA Grant funds directly to the Contractor. The Contractor must provide USTDA with an ACH Vendor Enrollment Form (available from USTDA) with the first invoice. The Client shall request disbursement of funds by USTDA to the Contractor for performance of the contract by submitting the following to USTDA:

(a) Contractor's Invoice

The Contractor's invoice shall include reference to an item listed in the Contract payment schedule, the requested payment amount, and an appropriate certification by the Contractor, as follows:

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

"As a condition for this mobilization payment, the Contractor certifies 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 provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA. "

(ii) For contract performance milestone payments:

"The Contractor 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 provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For final payment:

"The Contractor 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 provisions 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.
- (ii) For contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement."

- (iii) For final payment, the following certification by the Client must be provided on the invoice or separately:

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

(c) USTDA Address for Disbursement Requests

Requests for disbursement shall be submitted by courier or mail to the attention of the Finance Department at USTDA's address listed in Clause M below.

(4) Termination

In the event that the Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for reasonable and documented costs which have been incurred in performing the Terms of Reference prior to termination, as well as reasonable wind down expenses. Reimbursement for such costs shall not exceed the total amount of undisbursed Grant funds. Likewise, in the event of such termination, USTDA is entitled to receive from the Contractor all USTDA Grant funds previously disbursed to the Contractor (including but not limited to mobilization payments) which exceed the reasonable and documented costs incurred in performing the Terms of Reference prior to termination.

I. USTDA Final Report

(1) Definition

"Final Report" shall mean the Final Report described in the attached Annex I Terms of Reference or, if no such "Final Report" is described therein, "Final Report" shall mean a substantive and comprehensive report of work performed in accordance with the attached Annex I Terms of Reference, including any documents delivered to the Client.

(2) Final Report Submission Requirements

The Contractor shall provide the following to USTDA:

(a) One (1) complete version of the Final Report for USTDA's records. This version shall have been approved by the Client in writing and must be in the English language. It is the responsibility of the Contractor to ensure that confidential information, if any, contained in this version be clearly marked. USTDA will maintain the confidentiality of such information in accordance with applicable law.

and

(b) One (1) copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (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 equipment and service providers.

and

(c) Two (2) CD-ROMs, each containing a complete copy of the Public Version of the Final Report. The electronic files on the CD-ROMs shall be submitted in a commonly accessible read-only format. As these CD-ROMs will be available for public distribution, they must not contain any confidential information. It is the responsibility of the Contractor to ensure that no confidential information is contained on the CD-ROMs.

The Contractor shall also provide one (1) copy of the Public Version of the Final Report to the Foreign Commercial Service Officer or the Economic Section of the U.S. Embassy in Host Country for informational purposes.

(3) 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, USTDA's mailing and delivery addresses. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling 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 USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement. Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

(c) The Contractor shall affix to the front of the CD-ROM a label identifying the Host Country, USTDA Activity Number, the name of the Client, the name of the Contractor who prepared the report, a report title, and the following language:

"The Contractor certifies that this CD-ROM contains the Public Version of the Final Report and that all contents are suitable for public distribution."

(d) The Contractor and any subcontractors that perform work pursuant to the Grant Agreement must be clearly identified in the Final Report. Business name, point of contact, address, telephone and fax numbers shall be included for Contractor and each subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers shall be included for each 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 by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

J. Modifications

All changes, modifications, assignments or amendments to this contract, including the appendices, shall be made only by written agreement by the parties hereto, subject to written USTDA approval.

K. Study Schedule

(1) Study Completion Date

The completion date for the Study, which is December 30, 2009, is the date by which the parties estimate that the Study will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA 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) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

L. Business Practices

The Contractor agrees not to pay, promise to pay, or authorize the payment of any money or anything of value, directly or indirectly, to any person (whether a governmental official or private individual) for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study. The Client agrees not to receive any such payment. The Contractor and the Client agree that each will require that any agent or representative hired to represent them in connection with the Study will comply with this paragraph and all laws which apply to activities and obligations of each party under this Contract, including but not limited to those laws and obligations dealing with improper payments as described above.

M. USTDA Address and Fiscal Data

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

U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone: (703) 875-4357
Fax: (703) 875-4009

Fiscal Data:

Appropriation No.: 118/91001
Activity No.: 2008-81022A
Reservation No.: 2008810040
Grant No.: GH2008810010

N. Definitions

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Grant Agreement.

O. Taxes

USTDA 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 Host Country. Neither the Client nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

ANNEX No.3 - USTDA NATIONALITY REQUIREMENTS

U.S. TRADE AND DEVELOPMENT AGENCY
Arlington, VA 22209-2131

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the prefeasibility, feasibility, and implementation stages of a project.

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

Except as USTDA may otherwise agree, each of the following provisions shall apply to the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Technical Assistance and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Technical Assistance support (e.g., local lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

NATIONALITY:**1) Rule**

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S. subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

2) Application

Accordingly, only a U.S. firm or U.S. individual may submit proposals on USTDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of

Reference is funded with the USTDA grant.

3) Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

SOURCE AND ORIGIN:

1) Rule

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USTDA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

2) Application

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

3) Definitions

"Source" means the country from which shipment is made.

"Origin" means the place of production, through manufacturing, assembly or otherwise.

Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel.

ANNEX No.4 - FEDBIZOPPS ANNOUNCEMENT

Tender Committee; SJSC Latvijas Gaisa Satiksme; Riga International Airport; Riga, LV-1053, Latvia; TEL.: +371-67-300-950; FAX: +371-67-300-970

CODE R – LATVIA: AIR TRAFFIC MANAGEMENT SYSTEM – ADVANCED MODERNIZATION PROGRAM

POC John Kusnierek, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Latvia: Air Traffic Management System – Advanced Modernization Program. Latvijas Gaisa Satiksme (Grantee) invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms which are qualified on the basis of experience and capability to perform Technical Assistance in the planning and preparation phases of a comprehensive advanced modernization of Latvian Air Traffic Management System.

Since 2003 the air traffic volume at Riga International Airport (RIX) has increased at unprecedented annual rates. More recently, two carriers have expressed interest in offering direct intercontinental flights out of RIX, and in establishing the airport as a regional maintenance hub. While positive from an economic standpoint, these developments have begun to place strains on RIX's current technology and infrastructure, and have made security concerns more acute. Considerable upgrades and expansion of the airport's navigation and air traffic control (ATC) facilities are needed to accommodate the continuing growth.

The Grantee therefore intends to begin a complex modernization of the Latvian ATM systems' infrastructure. The Grantee plans to do this via a comprehensive ATC upgrade, which entails introduction of a new area control center in Riga and a new ATC tower equipped with modern ATM system. In addition, The Grantee proposes to launch a program of ongoing modernizations that will maintain or replace outdated equipment on a regular basis. The USTDA-funded Technical Assistance in question will shape the Grantee's implementation plan that is to proceed over the next ten years, refurbishing and accumulating facilities and equipment according to technological appropriateness and the availability of financing. The Grantee envisions total project costs of up to \$130 million.

The Grantee is Latvia's air traffic administrator – a state-administered joint-stock company that reports to the Latvian Ministry of Transport. It is responsible for all of Latvia's air traffic navigation services. It coordinates search and rescue activities, performs aviation-related meteorological services, oversees ATM planning and flow, provides aeronautical aviation services, and contracts out for various technical and training services. Its organizational objectives are to ensure the safety and optimal use of Latvian airspace for all users, and to operate with financial self-sufficiency.

The U.S. firm selected to perform this Technical Assistance activity will be paid in U.S. dollars from a \$690,170 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background definitional mission/desk study report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to: <https://www.ustda.gov/USTDA/FedBizOpps/RFP/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors

LATVIJAS GAISA SATIKSME

Request For Proposal

Tender Rules

and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 4:00 pm on November 10, 2008 at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.