

REQUEST FOR PROPOSALS

**FEASIBILITY STUDY FOR THE
AIR CARGO FACILITY IN PANAMA**

Submission Deadline: **5:00 PM**
LOCAL TIME
NOVEMBER 23, 2009

Submission Place: Gulf Coast International Cargo Panama, S.A.
Calle 39 Bella Vista
Edificio Tarraco, Piso 3
Panama
Republica de Panama
Phone: (507) 209-5139

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

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Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$258,000 to Gulf Coast International Cargo Panama, S.A., (the "Grantee") in accordance with a grant agreement dated September 15, 2009 (the "Grant Agreement"). The Air Cargo Facility Feasibility Study ("Study") will assess the options for installation of an air cargo facility for durable and non-durable goods at Tocumen International Airport ("Project") in Panama ("Host Country"). The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Feasibility Study.

1.1 BACKGROUND SUMMARY

According to the U.S. Department of Agriculture's 2008-09 Food Security Assessment, the number of food-insecure people in the Latin American and Caribbean region grew to 31% in 2008. Panama is a centrally located, tropical country with a shortage of refrigerated cargo storage space. The proposed air cargo facility would function as a regional air hub to consolidate and augment the trade of both perishable and non-perishable goods between the United States and Panama. Gulf Coast Panama has a twenty-year concession for the installation of an air cargo facility for durable and non-durable goods and adjacent office space at the Tocumen International Airport. The study will consist of a market analysis, design of the facility, and financial analysis. Gulf Coast Panama will build a 2,330 square meter facility, with 450 square meters of refrigerated storage area for perishable goods, 500 square meters of dry goods storage area, and 150 square meters designated for offices. Total implementation cost of the facility is estimated \$7 million, which includes \$2.5 million in construction costs and \$4.5 million in specialized equipment. A background Desk Study (USTDA Activity No. 2007-51028B) is provided for reference in Annex 2.

1.2 OBJECTIVE

The objective of the Air Cargo Facility Feasibility Study is to assess the options for installing an air cargo facility for durable and non-durable goods at Tocumen International Airport in Panama. The Terms of Reference (TOR) for this Feasibility Study are attached as Annex 5.

1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. 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\$258,000. **The USTDA grant of US \$258,000 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\$258,000 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 attached at Annexes 3 and 4, respectively, for reference.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called Air Cargo Facility.

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 DESK STUDY

USTDA sponsored a Desk Study to address technical, financial, sociopolitical, environmental and other aspects of the proposed project. A copy of the report is attached at Annex 2 for background information only. Please note that the TOR referenced in the report are included in this RFP as Annex 5.

2.4 EXAMINATION OF DOCUMENTS

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

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

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

2.5 PROJECT FUNDING SOURCE

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$258,000.

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 20 percent of the amount of the USTDA grant for specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in Annex 3.

2.12 LANGUAGE OF PROPOSAL

All proposal documents shall be prepared and submitted in English and Spanish; one printed and one electronic copy in each language.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

The **Cover Letter** in the proposal must be addressed to:

Alfredo Mejía-Aoun
Gulf Coast International Cargo Panama, S.A.
Calle 39 Bella Vista
Edificio Tarraco, Piso 3
Panama
Republica de Panama

Phone:(507) 209-5139

An Original and eight (8) copies of your proposal must be received at the above address no later than 5:00PM, on November 23, 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. Any proposal received after the deadline will be returned unopened. The Grantee will promptly notify any Offeror if its proposal was received late.

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

2.14 PACKAGING

The original and each copy of the proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labeled for content including "original" or "copy number x"; the original and eight (8) copies should be collectively wrapped and sealed, and clearly labeled.

Neither USTDA nor the Grantee will be responsible for premature opening of proposals not properly wrapped, sealed, and labeled.

2.15 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.

2.16 EFFECTIVE PERIOD OF PROPOSAL

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.

2.17 EXCEPTIONS

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

2.18 OFFEROR QUALIFICATIONS

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

2.19 RIGHT TO REJECT PROPOSALS

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

2.20 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 3. The successful Offeror shall cause appropriate provisions of its contract, including all of the applicable USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

2.21 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 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.

2.22 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.

2.23 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 invoice, the Grantee will forward the invoice to USTDA. If all of the requirements of USTDA's Mandatory Contract Clauses are met, USTDA shall make its respective disbursement of the grant funds directly to the U.S. firm in the United States. 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 attached in Annex 4.

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\$258,000, which is a fixed amount.

Offerors shall submit one (1) original and eight (8) copies of the proposal. Proposals received by fax cannot be accepted.

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Company 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 COMPANY INFORMATION

For convenience, the information required in this Section 3.2 may be submitted in the form attached in Annex 6 hereto.

3.2.1 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), the information below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).
3. Type of ownership (e.g. public, private or closely held).
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (*) next to the names of those principal officers who will be involved in the Feasibility Study.
6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).
7. Project Manager's name, address, telephone number, e-mail address and fax number .

3.2.2 Offeror's Authorized Negotiator

Provide 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.

3.2.3 Negotiation Prerequisites

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

3.2.4 Offeror's Representations

If any of the following representations cannot be made, or if there are exceptions, the Offeror must provide an explanation.

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of _____. The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Feasibility Study. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of _____.
2. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
3. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee. USTDA retains the right to request an updated certificate of good standing from the selected Offeror.

3.3 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 Feasibility Study. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Feasibility Study.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor.

A manpower 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 Feasibility Study.

3.5 SECTION 5: EXPERIENCE AND QUALIFICATIONS

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

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

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 upon receipt of USTDA's no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second most qualified Offeror and so forth.

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

1. Offeror's qualifications and experience relevant to the objectives and TOR of the Feasibility Study (40 points maximum)
 - Overall experience of the Offeror in similar aviation sector studies, specifically, market analysis for logistics centers, industrial parks, cargo terminals or other aviation related projects (10 points)
 - Perishable goods distribution and logistics industry experience (10 points)
 - Experience in architectural and structural design of cargo facilities, logistics centers, industrial projects, warehouses and other related projects (10 points)
 - Experience in project finance, cost estimating, identification of financing mechanisms, leasing schemes, corporate finance and capital project financing, and development of capital investment programs for cargo and other infrastructure projects (10 points)
2. Proposed technical approach and work plan (40 points maximum)
 - Appropriateness of proposed technical approach and work plan, including a breakdown by major work areas defining the scope of work, activities and effort required for each (20 points)
 - Knowledge of proposed work and understanding of tasks (20 points)
3. Qualifications and experience of key personnel (20 points maximum)
 - Overseas experience of the Offeror, particularly in Panama or Latin America (10 points)
 - Ability to work in the Spanish language (10 points)

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

Price will not be a factor in contractor selection.

ANNEX 1

ALFREDO MEJÍA-AOUN, GULF COAST INTERNATIONAL CARGO PANAMA S.A., CALLE 39 BELLA VISTA, EDIFICIO TARRACO, PISO 3, PANAMA, REPUBLICA DE PANAMA, PHONE 507-209-5139, FAX (507) 209-2808.

2009-51028A: AIR CARGO FACILITY PROJECT

POC: John Kusnierek, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. AIR CARGO FACILITY PROJECT. The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to develop a feasibility study for to assess the options for installing an air cargo facility for durable and non-durable goods at Tocumen International Airport in Panama.

According to the U.S. Department of Agriculture's 2008-09 Food Security Assessment, the number of food-insecure people in the Latin American and Caribbean region grew to 31% in 2008. Panama is a centrally located, tropical country with a shortage of refrigerated cargo storage space. The proposed air cargo facility would function as a regional air hub to consolidate and augment the trade of both perishable and non-perishable goods between the United States and Panama. The Grantee, Gulf Coast International Cargo Panama, S.A. (Gulf Coast Panama), is a Panamanian-owned cargo and distribution firm. Gulf Coast Panama has a twenty-year concession for the installation of an air cargo facility for durable and non-durable goods and adjacent office space at the Tocumen International Airport.

The study will consist of a market analysis, design of the facility, and financial analysis. Gulf Coast Panama estimates that the total area of the facility once all phases are completed is around 2,330 square meters. For the first phase of the project, at least 450 square meters of refrigerated storage area will be designated for perishable goods, 500 square meters will be for storage of dry goods, and 150 meters will be designated for office space. Total implementation cost of the facility is estimated \$7 million.

The U.S. firm selected will be paid in U.S. dollars from a \$258,000 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

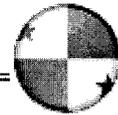
A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background definitional mission/desk study report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to: <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 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 and in Spanish directly to the Grantee by 5:00PM, November 23, 2009 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.

ANNEX 2



EXECUTIVE SUMMARY

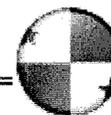
Gulf Coast International Cargo Panamá, SA has obtained a twenty-year concession to build a 3,494 square meter warehouse/cargo facility for refrigerated and durable goods, as well as adjacent office space at the Tocumen International Airport in Panama. With the purpose of developing this project, Gulf Coast International Cargo Panamá, SA has requested a grant from USTDA to fund a study aimed at providing marketing, financial and technical (design) assistance for the project.

The initial project evaluation phase was completed in 2007 by Grace Kalil and Pablo Riofrio while conducting a definitional mission to Panama. At that time, the Consultants considered that the proposed facility had good potential for promoting trade between US and Panama, was a technically and financially feasible project and supported USTDA's main mission of fostering US exports and economic development. However, as Gulf Coast International Cargo Panamá, SA had not reached an agreement for the concession of land at the airport, a recommendation was made for USTDA to reconsider funding at a later time. This concession contract has now been obtained by GulfCoast and we consider that the project has a high likelihood of being implemented. Furthermore, our analysis indicates that GulfCoast has conducted a strong marketing effort to ensure the successful implementation of the project and establish a market base for the new cargo terminal.

It is anticipated that the project will result in US exports in the short and long-term. In the short-term, exports will result from the construction of the facility, including cold storage and security equipment (estimates at around \$4.5 million). In the long-term, the facility will support the export of US products to Panama as cargo will be moved both northbound and southbound. This new cargo facility will allow the transport of a wide variety of products, including, but not limited to, electronics, parts (i.e. automotive, aerospace), agricultural products, seafood, clothing, etc.

The proposed study will assist Gulf Coast International Cargo Panamá, SA during the start-up phase of the project, focusing on conducting the appropriate marketing efforts, especially in relation with products moving southbound (from the US to Panama). In addition to the market analysis, the study will provide a final design of the facility and a financial analysis, including proforma financial statements, based on projected demand. We anticipate that the outcome of the study will provide Gulf Coast International Cargo Panamá, SA with clear recommendations for moving forward with the concession and construction of the proposed cargo facility at Tocumen International Airport.

At this time, we will extend a recommendation of the project based on the following:



- High likelihood of implementation: our due diligence process has indicated that the sponsor is committed to the project and that there is a current need at Tocumen for the proposed facility
- Increased trade between Panama and the US: the project provides opportunities for US exports in the near future (through refrigeration, security and cargo processing equipment) and in the long-term through the movement of cargo from the US to Panama
- The project provides a good opportunity for USTDA assistance to the private sector

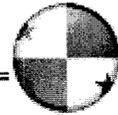
PROJECT BACKGROUND

Gulf Coast International Cargo Panamá, SA is a consortium composed of Gulf Coast International Cargo, Inc. (a US-owned distribution consortium), and a Panamanian investment group composed of Alfredo Mejía (10%), Herman Berg (15%), Ricardo Icaza (25%) and Pan Air Cargo (25%)¹. Mr. Mejia is the current President of the consortium and manages the day-to-day operations of the firm. He has participated in several investment projects such as a customer solutions center for Dell Computers in Howard Special Economic Area, and a processing zone for exports at Albrook. He was Project Manager for the Panama-Pacifico Special Economic Area from 2000 to 2005 and for the Interoceanic Region Authority.

Gulf Coast International Cargo Panamá, SA has obtained a twenty-year concession of land in the air cargo area of the Tocumen International Airport (PTY) for the installation of a 3,494 m² cargo facility that will include a refrigerated area, warehouse and adjacent office space. As part of the project, the company plans to establish a pre-clearance program for perishable goods whose final destination is the US. It is anticipated that the program will allow pre-clearance in Panama for certain agricultural products so that they reach the final destination in a much faster manner. At the same time, the cargo facility will provide the opportunity for airlines (such as Delta or Damco which have already shown interest in the facility) and other users (i.e. small and medium size exporters) to transport a wide array of products from Panama to the US and vice versa. Our conversations with Gulf Coast indicate that they are extremely interested in ensuring that the facility will benefit from moving cargo both North and South. The facility has also received the support from Gulfport Biloxi Airport as increased traffic between Tocumen (PTY) and Gulfport (GPT) has taken place in recent years.

The project has been divided into three phases, which will be implemented based on market demand. For Phase I, Gulf Coast plans to build a 1,500m² facility.

¹ Final agreement to be drafted.



PHASE I

Refrigerated Space	800m ²
Warehouse	500m ²
Office	150m ²

Inside of this structure, the refrigerated storage area for perishable goods would have an approximate size of 800m², while the dry goods storage area would have a size of 500m². In addition to the warehouse, there will be an area of 150m² designated for offices. The facility will be ISO quality standard certified. Construction estimates currently indicate that the

facility will cost approximately \$1.5 million and x-ray/cold storage/cargo handling equipment will be another US\$2-3 million. Phase II and III will be designed based on projected demand.

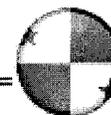
As noted earlier, Gulf Coast anticipates moving cargo both northbound (from Panama to the US), but also southbound (US to Panama). Initially, the facility will provide service for moving cargo exclusively from and to Panama. In the long-run, Gulf Coast has expressed its intention to expand the business so that cargo can be moved from/to other countries in the region using Panama as a hub, i.e. Ecuador or Peru.

During Phase I of the project, goods going northbound will be moved to GPT in the state of Mississippi and Atlanta Hartsfield. GPT, besides having a strategic geographic position, has the advantage of being part of a multimodal transportation system that allows goods to be distributed to more than sixty cities in the US faster than other points of entry². Atlanta is one of the largest and busiest airports in the US and is a hub for Delta Airlines, a highly likely user of the facility proposed by Gulf Coast at PTY.

In order to optimize the process, Gulf Coast proposes that PTY would serve as a redistribution point of goods (computers, audio/video equipment, medical/pharmaceutical products, fruits, poultry/beef among others) originating from the US and in-route to Panama. As such, planes coming back from the US to Panama will transport goods that will then be distributed under the commercial Free Zone 3 status granted by the Panamanian legislation to PTY and complemented by the Foreign Trade Zone status at GPT from the existing facilities and those under construction.

Currently, DHL, Copa Airlines and Arrow Panama are responsible for over 60% or 50,000 metric tons of cargo transported to/from PTY. The space available at PTY for the storage of cargo is distributed among three companies: COPADASA

² Gulfport Biloxi Airport has access to the port (Mississippi State Ports Authority) which in 2006 handled close to 1.5 mil tons of cargo. There is also access to the railway system – CSX provides East-West connections and Kansas City Southern Rail and Canadian National provide North-South Service.



(Property of United Parcel Service); Panama Air Cargo Terminal (PACT) and; GIRAG.

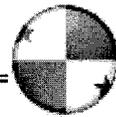
According to interviews conducted by Gulf Coast, several users interested in storage of perishable products have indicated that there is a shortage of refrigerated cargo space at the airport. In addition, several users have also indicated that there is a limited number of warehouses and cargo handling facilities and thus, they have no option but to share spaces with other users making the system cumbersome and not very efficient.

A key component of our analysis was to evaluate the need and demand for the Gulf Coast cargo facility. During conversations with members of Gulf Coast, it became clear that the company had already undertaken strong marketing efforts and had reached agreements or negotiated the use of the facility with some parties. In addition, Gulf Coast has engaged a private sector consultant in order to market the southbound route (US-Panama). As part of the due diligence process, we contacted some of these potential clients to verify or confirm their interest. We contacted two agricultural groups, Agroexporta Panama and Gremial de Productores de Invernadero de Panama, as well as Delta Cargo.

Our research indicates that there is significant demand for the proposed facility. Among others, airlines and small farmers will be potential user groups. We anticipate a wide variety of cargo being moved from and to PTY.

Both Agroexporta and Gremial de Productores de Invernadero de Panama indicated that they had previous exporting experience, but had consistently found that there are limited perishable product cargo areas at Tocumen. They feel that the proposed facility will open opportunities for them to export a wide array of herbs and vegetables, especially because of the pre-clearance program and ISO certification.

Our research also indicates that one of the major prospect clients for Gulf Coast is Delta Cargo. Contact was made with Cinthya Villareal, Regional Manager for Cargo Sales. Ms. Villareal indicated that Delta Cargo is interested in using Gulf Coast's facility for all its cargo operations at Tocumen, as well as the main cargo office for the airline. Initially, they are planning on signing a one-year lease which will be renewable for five years. Ms. Villareal confirmed that capacity at Tocumen is very limited and that they have to work with other airlines such as Copa to process shipments leaving or coming into the airport. Finally, Gulf Coast expressed that they have also discussed the possibility of leasing space to Damco.



PROJECT DESCRIPTION

The requested grant is aimed at conducting a project that will provide market, financial and design assistance for a new cargo facility at Tocumen airport in Panama. The project will consist of a market analysis to assess the potential commercial success of the facility, identify mechanisms for the optimal use of the proposed cargo terminal, a demand and financial plan for the project start-up phase, as well as the final architectural and structural design of the facility. The result of the study should provide Gulf Coast with a roadmap for future development of cargo operations at Tocumen. The project will be organized as follows:

Task 1: Project Start-Up

- Kick-off meeting with representatives from Gulf Coast Project
- Data collection and visit to airport and other relevant sites
- Review of studies prepared by INDESA

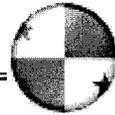
Task 2: Market Analysis

- Identification of target markets by industry
 - Contact potential clients to assess interest
- SWOT Analysis
 - Determine competitive advantages of the facility
 - Determine areas for future growth and opportunities
 - Identify & evaluate regional competitors
- Identification of products moving northbound and southbound
 - Identification of US products to move southbound
 - Review of cargo stats for Gulfport and Tocumen
 - Review of exports originating at Gulfport that may be "facility users"
- Identify marketing strategies
 - Promotion
 - Outreach (i.e. cargo trade shows)
 - Advertising
 - Pricing
- Develop a marketing budget and implementation plan

Task 3: Financial Plan

- Based on the results of Task 2, forecast demand / revenues
- Determine future operating and capital expenses
- Develop financial model for next 10 years
- Assess economic and developmental impacts

Task 4: Facility Requirements



- Review schematic drawings
- Determine demand-capacity based on schematics & provide recommendations
- Develop final design and cargo facility layout
- Assess sources of US supply for facility

Task 5: Marketing Assistance

- Briefing for potential users, particularly US companies interested in moving cargo southbound

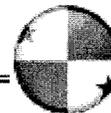
Task 6: Presentation of Final Report

IMPLEMENTATION FINANCING AND LIKELIHOOD OF IMPLEMENTATION

Gulf Coast International Cargo Panamá, SA currently estimates the cost of the project at \$4 million out of which \$1.5 million will be dedicated for the construction of the facility and \$2 million will be used for x-ray and cold storage equipment. At this time, the most likely scenario is that the project will be financed through capital provided by the owners/project investors. While final agreements have not been yet reached on the percentage of participation for each investor, the consortium anticipates that the following investors will participate and provide capital for the project:

- Gulf Coast International Cargo
- Alfredo Mejía
- Herman Berg
- Ricardo Icaza
- Pan Air Cargo

Overall, all the investors above have previous experience in project development and financing. Given the size and scope of the project, we anticipate that financing through these investors should not present any problems. Gulf Coast has also evaluated the possibility of obtaining loans through local development banks, specifically the Bank for Agricultural Development (Banco de Desarrollo Agropecuario), and the National Bank of Panama. The company has also studied the possibility of using funds from INDESA Capital, a local financial institution.



PROJECT SPONSOR CAPABILITIES AND COMMITMENT

We believe that the Gulf Coast International Cargo Panamá, SA (the proposed Grantee) is very committed to the success and implementation of the project. Gulf Coast has conducted a very organized marketing strategy in order to identify and approach potential investors and users. They have already conducted a preliminary feasibility study (in 2007 through INDESA) and have approached and discussed the facility with airlines and other possible users. The company has also investment financial resources in the marketing of the facility and in identifying potential products that can be moved particularly southbound.

ENVIRONMENTAL IMPACTS

It is anticipated that the project will result in minimal environmental impacts as it is located in an existing facility (Tocumen Airport). In addition, we anticipate that Gulf Coast will work with Tocumen Airport in minimizing any environmental impacts that may be caused by the construction of the facility during the design and construction phases of the project.

IMPACT ON US LABOR

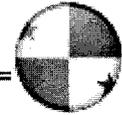
It is our opinion that the project will not cause any dislocation of US jobs. It is not expected to provide any incentive to induce a business enterprise currently located in the US to relocate to Panama or another foreign country; contribute to the violation of internationally recognized workers' rights; or contribute to the production of any commodity that is in surplus in the global markets.

In fact, we anticipate that the project could have some positive impacts on US labor. In the short-term, the facility could foster the expansion of Delta Airlines cargo personnel that will be handling any products moved between the US and Panama. In the longer-term, it could facilitate the export of US products, particularly technology products and parts for aircraft and ships.

DEVELOPMENTAL IMPACTS

The following are some identified developmental impacts for the project:

Infrastructure: We anticipate that the project will result in the construction of a 3,500 m² (approx.) new cargo facility at Tocumen Airport which will be one of the few existing in the area and which will support existing initiatives for creating a cold storage chain for perishable products in the David region of Panama. The project will respond to a shortage of cargo space at Tocumen, where now airlines have to share the cargo screening and storage areas.



Human Capacity Building: It is expected that the implementation of this project would be accompanied with training programs for new facility personnel, such as training in the use of cold storage equipment, cargo/baggage handling equipment and security programs. Gulf Coast anticipates that the initial phase of the project will require a staff of approximately 20 individuals, including administrators, supervisors and cargo personnel. Additional jobs may be created as the facility allows the expansion of new export businesses.

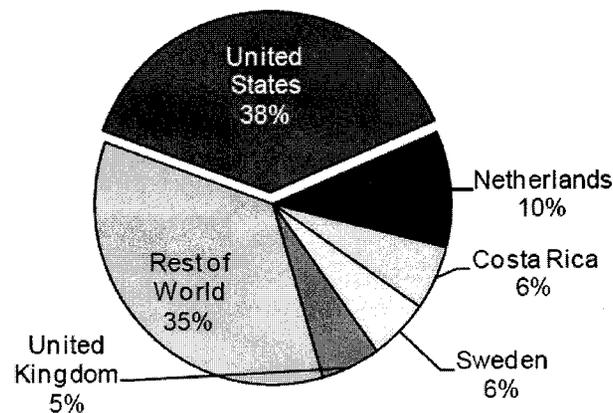
Market-oriented Reforms: This project directly promotes private sector involvement through a concession at Tocumen airport. Furthermore, the construction of this new cargo facility will result in significant opportunities for exporters of perishable products, such as flowers, fish, seafood, vegetables, fresh herbs and others. The project could have a significant impact in fostering international trade between the US and Panama by providing additional capacity for exports of non-traditional products.

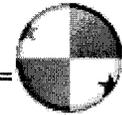
Technology Transfer and Productivity Enhancement: Based on conversations with Gulf Coast, the company anticipates expanding operations at the facility to include new technologies such as irradiation, which is an emergent technology for treatment of agricultural products aimed at decreasing bacterial contamination. We also anticipate the project to provide increased productivity to airlines as the space, equipment and cargo screening processes will be facilitated.

US EXPORT POTENTIAL

The US had a trade surplus with Panama of \$4.7 billion in 2008 and is Panama's largest trading partner. Total goods trade between the US and Panama was \$5.5 billion in 2008, a 36% increase from 2007 to 2008. In 2007, the US and Panama signed a free trade agreement which will, among others, provide US exporters significant opportunities to participate in the \$5.25 billion expansion plan for the Panama Canal.

Total Market Share the United States Represents for
Panama's Merchandise Exports - 2008





In our analysis of potential US exports related to this project, it became evident that US exports will result from two sources: First, during project implementation it is estimated that the new facility will need close to US\$2 million in x-ray and cold storage equipment. At this time, Gulf Coast has expressed interest in obtaining this equipment from *Reveal Imaging Technologies, Inc.*, a US company that specializes in detection and cargo equipment. Contact was made with Steve Pelhan, Director for International Sales, to confirm that Reveal had been approached by Gulfcoast. During Phase III, the consortium is examining the possible procurement of irradiator equipment, which will cost around \$2.5 million.

Second, the project will foster US exports by providing new infrastructure for cargo at Tocumen. As noted above, it is anticipated that any planes moving northbound will in turn, bring back to Panama US products, including electronics, parts, pharmaceutical items and perishables. During conversations with Delta Cargo's representative, Cinthya Villareal, she indicated that the airline is moving approximately 60,000 kilos of cargo to the US per year, mostly electronics, but also clothing, fabrics and other products. Mr. Mike Alise, one of Gulf Coast International Cargo Panamá, SA's partners, has recently announced plans to manage a \$40 million facility at Gulfport Biloxi Airport, which will be dedicated to electronics. Mr. Alise indicated that he had met with members from the Consumer Electronics Association and that he was working towards developing a network of US exporters for electronics.

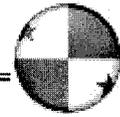
Finally, Gulf Coast has also been evaluating the possibility of using the facility for importing premium quality US beef, specifically they have contacted Halperns Purveyors of Steak and Seafood. The company, based in Atlanta, Georgia, indicated that they are interested in tapping into the Panamanian market and that their estimates indicates the possibility of exporting about 10,000 lbs per week, or \$50,000 to \$70,000 per week in US premium beef. This alone could translate into \$3 to \$4 million per year. It is important to note that Panama's tariffs on beef range from 10 to 30 percent. Given the 2007 FTA signed between the US and Panama, the US will enjoy immediate duty-free treatment on meat products such as high quality, USDA Prime and Choice beef cuts³.

Table 1 – Overview of Direct US Export Potential

Direct Exports:

X-Rays and Security Screening Equipment	\$ 750,000 (Phases I and II)
Refrigeration Equipment	\$1,000,000 (Phases I and II)
Other Food Processing/pest control	\$ 250,000 (Phases I and II)
Irradiation Equipment	\$2,500,000 (Phase III)

³ Fact Sheet, "U.S.-PANAMA TRADE PROMOTION AGREEMENT BENEFITS FOR AGRICULTURE", USDA, April 2009.



FOREIGN COMPETITION

The US is well-positioned in the market of cold storage, cargo handling and security equipment. Some key US manufacturers include North Star, InVision Technologies, L-3 Communications (acquired Surebeam), and Steris Corporation. As noted above, GulfCoast has already contacted a US firm, Reveal, in regards to the equipment needed.

Foreign competition may come from France, the UK and Canada, where some key industry manufacturers are located. Among them, REVISS Services, Ltd. and FKI Logistex from the UK, IONISOS SA from France and MDS Nordion Technologies from Canada. However, we do not anticipate a high level of foreign competition for the project due to the following:

- Transportation costs (US proximity to Panama)
- Long history of US products in the market
- Expressed interest of project sponsor in using US technologies
- High availability of US products in the market

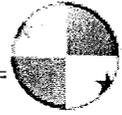
JUSTIFICATION

The following are some issues that justify USTDA funding for the project:

Respond to an existing need for infrastructure expansion: The research conducted during the project indicates that the airport currently lacks adequate cargo facilities to meet existing demand. This project would allow Tocumen to provide additional cargo storage for perishables and dry goods, thus providing a higher level of service to its users (airlines, cargo companies, etc.). The pre-clearance program, as well as the installation of irradiation and cargo screening equipment, will allow the facility to provide state-of-the-art technologies to its users and increase productivity (i.e. decreased cargo processing times).

Long-term potential for US exports: As noted above, Gulf Coast is considering acquiring approximately US\$2 million of x-ray and cold storage equipment for the facility during Phase I. During phase II additional exports in irradiation equipment are anticipated as well. It is very likely that this equipment will come from the US and the sponsor has expressed interest in using US suppliers.

Furthermore, this project fosters long-term trade between Panama and the US. The consortium has already made plans for taking advantage of planes flying into the US as means of moving cargo back to Panama. It is anticipated that Delta Cargo will be using the facility as an exclusive cargo area for the airline and is expected to move approximately 60,000 kilos of merchandise per year. Finally,



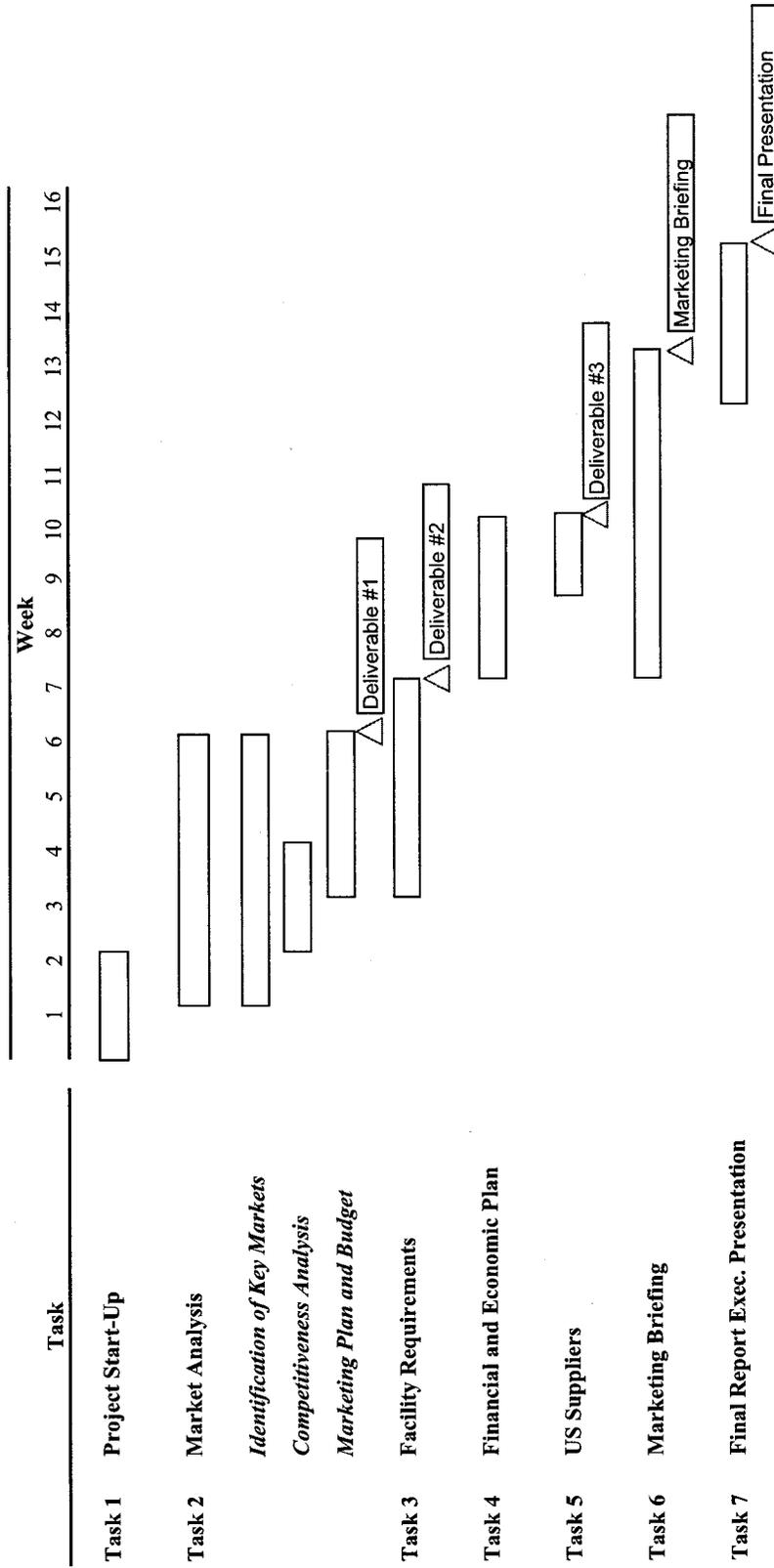
the project will also foster greater trade of a wide variety of products pursuant to the existing free trade agreement with Panama.

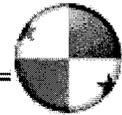
Private Sector Involvement & Developmental Impacts: This project will foster the participation of the private sector in Panama's aviation, providing business opportunities not only to Panamanian investors, but also US investors and companies such Gulf Coast International Cargo and Delta Airlines. Further, it is estimated that the project will open opportunities not only for 20 individuals working at the facility, but also for small and medium size companies interested in exporting products to the US. It is will also facilitate the export (and import) of perishable products (i.e. agricultural, seafood, flowers, human organs), where there is now a limited capacity for cargo of this nature at the airport.

(USTDA: Pages 12-17 omitted. Please see Terms of Reference attached in Annex 5)



SCHEDULE





QUALIFICATIONS

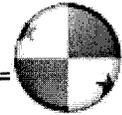
The selection of the Contractor should be based on the following criteria:

Technical Experience (50 points): Firm and team's experience (including detailed resumes) in the following areas:

- ❖ Market analysis, including demand estimating and market research for cargo projects, particularly as it relates to the aviation sector. Experience in market analysis for logistics centers, industrial parks, cargo terminals or other related projects. (15 points)
- ❖ Industry experience in projects related to distribution and logistics for perishable or agricultural products. (10 points)
- ❖ Architectural and structural design experience, with particular emphasis in cargo facilities, logistics centers, industrial projects, warehouses and other related-type projects. (15 points)
- ❖ Firm and team's experience in project financing, cost estimating, and development of capital investment programs for cargo and other infrastructure projects. Specific experience with the identification of financing mechanisms, leasing schemes, corporate finance and capital project financing. (10 points)

Work Plan and Methodology (40 points): Adequacy of the proposed work plan and suggested overall approach in responding to the Terms of Reference. Soundness and thoroughness of the technical approach and work plan sections of the proposal, and overall quality of proposal presentation will be evaluated. The proposal should also provide an organization chart of key personnel with their qualifications, and a staffing schedule for each key activity.

Regional Experience (10 points): Firm and team's familiarity with the Panamanian market and/or Latin America and experience working with local authorities, as well as familiarity with local regulations. Ability to communicate in Spanish in a business setting.



BUDGET NARRATIVE

Project Manager: This individual will provide the necessary guidance and support for the successful completion of the project. The Project Manager should have at least 10 years of experience managing economic / business development projects for cargo or other related facilities. The Project Manager should have previous experience working in Panama or other countries in Latin America. It is expected that 39 days will be required at a daily rate of \$1,200.

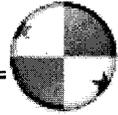
Market Specialists: These individuals should have at least 10 years of experience in the planning and marketing of projects, particularly cargo, logistics and agricultural related activities. They will be responsible for conducting detailed market assessment and demand analysis for the proposed facility. It is recommended that these individuals have developed market assessments for cargo facilities, warehouses, industrial parks or other related projects. It is expected that 71 days will be required at a daily rate \$950.

Architect and Engineer: These individuals should have at least 8 years of experience in the planning and design of aviation projects. They will be responsible for conducting an evaluation of facility requirements and preparing final drawings. It is necessary that these individuals have a strong background in the design of cargo facilities, warehouses, industrial parks or other related projects. It is expected that 58 days will be required at a daily rate \$1,080.

Financial Specialist: This individual should have at least 5 years of experience working as financial analyst in the area of capital financing. He/she will be responsible for developing a financial plan for the proposed facility. Strong background in corporate finance is highly advisable. It is expected that 36 days will be required at a daily rate of \$950.

Drafter: This individual will support tasks conducted by the Project Manager, Architect and Engineer. He/she will work under the supervision of the Architect and Engineer in the development of final plans. It is expected that 13 days will be required at a daily rate of \$600.

Project Assistant: This individual will provide administrative support for all other personnel. It is expected that 41 days will be required at a daily rate of \$440.



TRAVEL SUMMARY

1. *The Project Manager and Market Specialist will be required to travel to the host country for Task 1*

One week of travel (5 days) will be required for each individual.

Roundtrip Airfare: $\$1,300 \times 2 \text{ people} = \$2,600$
Lodging and Per Diem: $\$150 \times 5 \text{ days} \times 2 \text{ people} = \$1,500$
Ground Transportation: $\$40 \times 5 \text{ days} \times 2 \text{ people} = \400

2. *The Project Manager and Facility Specialist will be required to travel to the host country for Task 3*

One week of travel (5 days) will be required for each individual.

Roundtrip Airfare: $\$1,300 \times 2 \text{ people} = \$2,600$
Lodging and Per Diem: $\$150 \times 5 \text{ days} \times 2 \text{ people} = \$1,500$
Ground Transportation: $\$40 \times 5 \text{ days} \times 2 \text{ people} = \400

3. *The Project Manager and Facility Specialist will be required to travel to the host country for Task 7, Final Report Presentation*

One week of travel (5 days) will be required for each individual.

Roundtrip Airfare: $\$1,300 \times 2 \text{ people} = \$2,600$
Lodging and Per Diem: $\$150 \times 5 \text{ days} \times 2 \text{ people} = \$1,500$
Ground Transportation: $\$40 \times 5 \text{ days} \times 2 \text{ people} = \400

ANNEX 3



**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 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 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 4

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 Gulf Coast International Cargo Panama, S.A. ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US\$258,000 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed Air Cargo Facility Project ("Project") in Panama ("Host Country").

1. USTDA Funding

The funding to be provided under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm selected by the Grantee ("Contractor") under which the Contractor will perform the Study ("Contract"). Payment to the Contractor will be made directly by USTDA on behalf of the Grantee with the USTDA Grant funds provided under this Grant Agreement.

2. Terms of Reference

The Terms of Reference for the Study ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The Study will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the Study shall also be included in the Contract.

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. The parties to this Grant Agreement and the Contractor shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study.

4. Grantee Responsibilities

The Grantee shall undertake its best efforts to provide reasonable support for the Contractor, such as local transportation, office space, and secretarial support.

5. USTDA as Financier

(A) USTDA Approval of Competitive Selection Procedures

Selection of the U.S. 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 through *Federal Business Opportunities* (www.fedbizopps.gov). Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information and/or approval.

(B) USTDA Approval of Contractor Selection

The Grantee shall notify USTDA at the address of record set forth in Article 17 below upon selection of the Contractor to perform the Study. Upon approval of this selection by USTDA, the Grantee and the Contractor shall then enter into a contract for performance of the Study. The Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the Study that they were not selected.

(C) USTDA Approval of Contract Between Grantee and Contractor

The Grantee and the Contractor shall enter into a contract for performance of the Study. This contract, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing. To expedite this approval, the Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 17 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract.

(D) 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 the contract and any 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 funding 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 Grantee 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 Grantee or USTDA.

(E) Grant Agreement Controlling

Regardless of USTDA approval, the rights and obligations of any party to the contract or subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and any contract or subcontract funded by the Grant Agreement, the Grant Agreement shall be controlling.

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

The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the Study by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

7. Effective Date

The effective date of this Grant Agreement ("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.

8. Study Schedule

(A) Study Completion Date

The completion date for the Study, which is December 31, 2011, is the date by which the parties estimate that the Study will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Grant Agreement 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.

9. USTDA Mandatory Clauses

All contracts funded under this Grant Agreement shall include the USTDA mandatory clauses set forth in Annex II to this Grant Agreement. All subcontracts funded or partially funded with USTDA Grant funds shall include the USTDA mandatory clauses, except for clauses B(1), G, H, I, and J.

10. Use of U.S. Carriers

(A) 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.

(B) 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.

11. 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.

12. 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 Grantee nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

13. Cooperation Between Parties and Follow-Up

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (as defined in Clause I of Annex II), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project.

14. Implementation Letters

To assist the Grantee in the implementation of the Study, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by the Grant Agreement. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by the Grant Agreement.

15. Recordkeeping and Audit

The Grantee agrees to maintain books, records, and other documents relating to the Study and the Grant Agreement adequate to demonstrate implementation of its responsibilities under the Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for 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 books, records, and other documents relating to the Study and the Grant Agreement.

16. Representation of Parties

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U.S. Ambassador to Host Country or USTDA and Grantee will be represented by the President of Gulf Coast International Cargo, S.A. The parties hereto may, by written notice, designate additional representatives for all purposes under the Grant Agreement.

17. Addresses of Record for Parties

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through a wire or electronic medium which produces a tangible record of the transmission, such as a telegram, cable or facsimile, and will be deemed duly given or sent when delivered to such party at the following:

To: Gulf Coast International Cargo Panama, S.A.
Calle 39 Bella Vista
Edificio Tarraco, Piso 3

Panama
Republica de Panama

Phone: (507) 209-5139
Fax: (507) 209-2808

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

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

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial Section of the U.S. Embassy in Host Country with a copy of each communication sent to USTDA.

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

Appropriation No.: 119/101001
Activity No.: 2009-51028A
Reservation No.: 2009510038
Grant No.: GH 200951837

18. Termination Clause

Either party may terminate the Grant Agreement by giving the other party thirty (30) days advance written notice. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the Study, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the written notice of termination.

19. Non-waiver of Rights and Remedies

No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

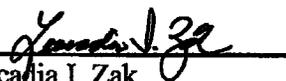
20. U.S. Technology and Equipment

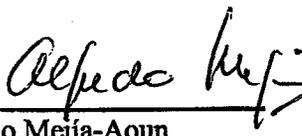
By funding this Study, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed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

IN WITNESS WHEREOF, the Government of the United States of America and Gulf Coast International Cargo Panama, S.A., each acting through its duly authorized representative, have caused this Agreement to be signed in the English language in their names and delivered as of the day and year written below. In the event that this Grant Agreement is signed in more than one language, the English language version shall govern.

**For the Government of the
United States of America**

**For Gulf Coast International
Cargo Panama, S.A.**

By: 
Leocadia I. Zak
Acting Director
U.S. Trade and Development Agency

By: 
Alfredo Mejia-Aoun
President

Date: 9/15/09

Date: 9/15/09

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex II

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 Gulf Coast International Cargo Panama, S.A. ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the feasibility study ("Study") for the Air Cargo Facility Project ("Project") in Panama ("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 31, 2011, 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.: 119/101001
Activity No.: 2009-51028A
Reservation No.: 2009510038
Grant No.: GH 200951837

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 5

Annex I

Terms of Reference

Overview:

The purpose of this feasibility study (Study) is for the design and installation of an air cargo facility with cold storage capability for durable and non-durable goods at Tocumen International Airport (Tocumen Airport) in Panama.

Task 1: Project Kick Off and Review of Existing Documentation

The Contractor shall:

- 1.1 Conduct a kick-off meeting with the Grantee to review and approve the Study schedule, activities, action plan, and proposed methodology. The methodology shall be detailed, including a preliminary statement regarding potential clients, target markets, and products that may be moved through the facility.
- 1.2 Collect, review and analyze all existing documents, plans and supporting information available from the Grantee, and any other relevant sources, including the Tocumen International Airport, the Gulfport-Biloxi International Airport, Panama's Ministry of Agriculture, and Panama's Chamber of Commerce. Data collection shall include, but not be limited to, the following:
 - A recently developed preliminary feasibility study regarding the proposed facility;
 - Preliminary schematic design for the facility;
 - Export and import statistics for the U.S. and Panama; particularly products between the U.S. and Tocumen Airport;
 - Existing airport master plans, feasibility, and other related studies for Tocumen Airport, particularly as they relate to the development of cargo and status of on-going and short-term development projects at Tocumen Airport;
 - Existing airport master plans, feasibility, and other related studies for Gulfport-Biloxi Airport, particularly as they relate to the development of cargo and status of on-going and short-term (three years) development projects at Gulfport-Biloxi Airport, to use as a model for the new facility at Tocumen Airport;
 - Tocumen and Gulfport-Biloxi airport competitiveness plans, if available;
 - Any information pertaining to other similar facilities currently built or planned for the region.
- 1.3 Conduct a site visit to Tocumen and Gulfport-Biloxi airports to inspect and determine current cargo operations.

Deliverable #1: The Contractor shall produce a report detailing the results of Task 1. Two copies of the report in Spanish and one copy in English shall be provided to the Grantee.

Task 2: Market Analysis

The Contractor shall:

- 2.1 Identify potential target markets in the region for the new facility. For this purpose, the Contractor shall review what companies are currently moving cargo southbound and the types of products they are moving. The Contractor shall review what companies are not currently moving cargo southbound but would be interested in export to this region and through this facility. The Contractor shall take into consideration any markets identified by the Grantee in previous studies. Based on this information, the Contractor shall develop a list of at least 100 companies (total) in five market segments, including the type of products in each market segment. The Contractor shall identify and contact companies that may be potential facility users and determine their interest in using the facility.
 - 2.1.1 Identify the potential value of U.S. exports of equipment and services resulting from the construction of the new facility and prepare a U.S. supplier list, which shall outline potential sources for procurement of goods and services for implementation of the Project.
 - 2.1.2 Identify the potential value of U.S. exports of products and services that may result from the operation of the new facility for a period of three years following project implementation. The list shall include company name, contact information, contact person, and a general description of products and services that may be procured.
- 2.2 Conduct a competitiveness analysis for the new cargo facility, focusing on those areas where the new cargo facility will provide enhanced service to users.
 - 2.2.1 Among others, the Contractor shall determine what, if any, competitive advantages result from location, service, lead time, proposed pricing, or any other issues that may be identified through in-depth research, conversations with the Grantee, airport operators, or potential facility users.
 - 2.2.2 Identify and evaluate potential competitors in the region, with particular emphasis on cargo facilities that may be providing services between Panama and the United States. The Contractor shall develop a list of at least four key potential competitors and determine what, if any, competitive advantages or disadvantages the Project may face.
- 2.3 Review any market strategies that are being utilized and develop a preliminary marketing plan. The plan shall include promotion strategies, outreach such as cargo trade shows, and advertising. The Contractor shall prepare a 3-year marketing program that may be used by the Grantee as the basis for promoting the facility. The marketing plan shall include a marketing budget broken down by activity.
- 2.4 Conduct an analysis of pricing strategies. This analysis shall provide the Grantee with an evaluation of charges assessed by similar facilities in the region and provide recommendations for the new cargo facility in Tocumen Airport.

Deliverable #2: The Contractor shall produce a report detailing the results of Task 2, including the list of potential suppliers from Task 2.1.1. Two copies of the report in Spanish and one copy in English shall be provided to the Grantee. In addition, the Contractor shall present key findings to the Grantee.

Task 3: Facility Requirements

The Contractor shall:

- 3.1 Prepare a development program for the facility in three phases based on the results of the analysis in Task 2 and the preliminary schematic design as provided by the Grantee. The Contractor shall design Phase I for optimum efficiency of operation during the first three years of operation after project implementation. In addition, the contractor shall provide at least two recommendations for expansion of the facility in two additional phases.
- 3.2 Develop final architectural and structural blueprints for Phase I. All plans shall be developed in very close coordination and consultation with the Grantee and any relevant representatives from the Tocumen Airport. All blueprints shall be presented in AutoCAD, Land Development Desktop, or Autodesk Civil Design formats. All blueprints shall be signed by a licensed, practicing, local Panamanian architect in accordance with Panamanian law.
- 3.3 Prepare detailed cost estimates, including engineering, capital construction, equipment costs, and operating expenses for Phase I. The cost estimates will be based on the Contractor's knowledge of the local market. The costs shall be in unit and total prices and adjusted by a correction factor provided by the Grantee.

Deliverable #3: The Contractor shall produce a report detailing the results of Task 3, including the final blueprints for the facility. Two copies of the report in Spanish and one in English shall be provided to the Grantee. In addition, the Contractor shall present key findings to the Grantee.

Task 4: Financial Plan

The Contractor shall:

- 4.1 Prepare a financial plan that will ensure sufficient revenues, based on projected demand, to cover projected maintenance, operating, administrative, and debt service expenses, as well as additional expenses from facility expansion in Phases II and III.
 - 4.1.1 Prepare demand forecasts based on projected activities from the key markets identified in Task 2 of the Study. The methodology used to develop all forecasts shall be documented and presented to the Grantee for approval prior to commencement of this task.

- 4.1.2 Develop pro forma financial statements for the first three years of operation, based on the demand forecast, pricing strategy, anticipated capital costs, and projected operating expenses. The financial statements shall be prepared such that the Grantee may adjust them later for any changes in projected costs or demand. The Contractor shall provide a financial analysis that will identify potential revenues and expenses for three scenarios (high, medium, low) and provide pro forma financial statements for the “most likely” scenario.

Deliverable #4: The Contractor shall produce a report detailing the results of Task 4. Two copies of the report in Spanish and one in English shall be provided to the Grantee. In addition, the Contractor shall present key findings to the Grantee.

Task 5: Development Impact and Environmental Impact

The Contractor shall:

- 5.1 Report on the potential development impacts for the Project in the Host Country. While specific focus should be paid to the immediate impact(s) of the Project, the Contractor shall include, where appropriate, any additional developmental benefits of the projects, including spin-off and demonstration effects. The Contractor's analysis of potential benefits shall be as concrete and detailed as possible. The development impact factors are intended to provide the Project's decision-makers and other interested parties with a broader view of the Projects' potential effects on the Host Country. The Contractor shall provide estimates of the Project's potential benefits in the following areas:
- Infrastructure. The Contractor shall provide a statement on the infrastructure impact giving a brief synopsis.
 - Market-Oriented Reforms. The Contractor shall provide a description of any regulations, laws, or institutional changes that are recommended and the effect they would have if implemented.
 - Human Capacity Building. The Contractor shall address the number and type of positions that would be needed to implement, manage, and operate the proposed cargo facility as well as the number of people who will receive training and a brief description of the training program.
 - Technology Transfer and Productivity Enhancement. The Contractor shall provide a description of any advanced technologies that will be implemented as a result of the project. The Contractor shall provide a quantitative description of any efficiency that will be gained.
 - Other: The Contractor shall identify any other developmental benefits of the Project, including any spin-off or demonstration effects.
- 5.2 Report on the potential environmental impacts for the Project in the Host Country. While specific focus should be paid to the immediate impact(s) of the Project, the Contractor shall include, where appropriate, any additional environmental benefits of the projects, including spin-off and demonstration effects. The Contractor's

analysis shall be as concrete and detailed as possible. Particular emphasis shall be placed on local Panamanian environmental regulations.

Deliverable #5: The Contractor shall produce a report detailing the results of Task 5. Two copies of the report in Spanish and one in English shall be provided to the Grantee.

Task 6: Marketing Briefing

The Contractor shall:

- 6.1 Organize a briefing, to be held in Gulfport, MS, for U.S. companies interested in using the cargo facility to send products through the proposed facility. For this purpose, the Contractor shall identify and invite at least 100 companies that may be potential users and schedule a half-day briefing where the Contractor and the Grantee¹ will present the plans for the new facility, the Project schedule and current status, services provided at the facility, and business opportunities that may be attractive to the audience. The briefing shall serve as a promotion and marketing event to increase demand at the new facility.

Deliverable #6: A report detailing events of the briefing, including a list of invitees, attendees, topics of discussion, individual meetings held, and any prospective business opportunities arising from the briefing. Two copies of the report in Spanish and one in English shall be provided to the Grantee. In addition, the Contractor shall present key findings to the Grantee.

Task 7: Final Report and Presentation

The Contractor shall:

- 7.1 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 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 Contractor shall submit to the Grantee four (4) copies of the Final Report in Spanish and one (1) in English. The Contractor shall also provide one (1) electronic version of both the confidential and public versions of the Final Report to the Grantee. The Contractor shall prepare the Final Report and provide copies to USTDA in English in accordance with Clause I of Annex II of the Grant Agreement.
- 7.2 When the Final Report is complete, the Contractor shall deliver a presentation of the Final Executive Summary and the Final Report to the Grantee and other stakeholders.

¹ The Grantee shall be responsible for all costs relating to Grantee participation in the briefing, including, but not limited to airfare, lodging, and/or meals and incidental expenses. USTDA funds provided under the Grant Agreement shall not be used to either (a) pay any of these costs directly, or (b) reimburse any party for any of these costs.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (3) 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.

ANNEX 6

7. Project Manager's name, address, telephone number, e-mail address and fax number .

B. Offeror's Authorized Negotiator

Provide 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.

C. Negotiation Prerequisites

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Feasibility Study as proposed and reflect such impact within the project schedule.

2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

D. Offeror's Representations

Please provide exceptions and/or explanations in the event that any of the following representations cannot be made:

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of _____ . The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Feasibility Study. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority. The Offeror has included, with this

proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of _____.

2. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
3. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee. USTDA retains the right to request an updated certificate of good standing from the selected Offeror.

Signed: _____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____