REQUEST FOR PROPOSALS

FEASIBILITY STUDY FOR THE

ROYAL AIR MAROC OPERATION OPTIMIZATION PROJECT

Submission Deadline: **12:00pm NOON**

LOCAL TIME

FEBRUARY 12, 2010

Submission Place:
SAAD AZZIOUI
ROYAL AIR MAROC
VP GROUND OPERATIONS
ZONE ZIRAM-AEROPORT NOUASSER
MAROC
PHONE: +212 5 22 49 93 00

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

ANNEX 1	FEDBIZOPPS ANNOUNCEMENT
ANNEX 2	BACKGROUND DEFINITIONAL MISSION REPORT
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Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US$337,880 to Royal Air Maroc (the "Grantee") in accordance with a grant agreement dated November 9, 2009 (the "Grant Agreement"). USTDA has provided a grant to the Grantee for a Royal Air Maroc Operations Optimization Feasibility Study. 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

Consistent with the Government of Morocco's long term plan to increase tourism, international aviation traffic to and from Morocco has been increasing significantly over the past decade. Royal Air Maroc (RAM) is Morocco's flag carrier and currently serves over six million passengers a year in over 69 destinations, 57 of them international. RAM's international traffic has seen uninterrupted double-digit growth since 2004, at an average rate of 15% annually. In 2007, air liberalization policies changed the air transport regulatory framework of Morocco and the country signed an open skies agreement with the European Union, which resulted in the emergence of new low cost airlines from Europe and the Middle East. The introduction of these new low cost competitors has exerted significant pressure on RAM, which has seen its international flight market share decrease from 56% in year 2000 to 48% in year 2008. In response, RAM has developed a business strategy that includes the development of medium and long-haul routes operated from the hub in Casablanca.

Operational and infrastructure improvements are needed at the Casablanca airport hub in order for RAM to increase its efficiency and capacity. RAM's current operations have shown some areas where improvement is needed, including flight punctuality, baggage and ground handling and passenger processing. It is vital that RAM improve these processes in order to accommodate increasing numbers of international passengers and meet stricter international regulations such as those of TSA for flights destined to the U.S. The airline recognizes that its operations need to be optimized and that it must develop its Casablanca hub in order to increase its capacity and levels of service. The proposed study will provide the foundation for sustainable long-term growth and allow RAM to respond to future demand and improve its standards of service and level of quality. It will also enable them to respond to increased competition and new developments in the Moroccan aviation sector.

As part of the operations optimization program, the Contractor shall develop an operations improvement plan for Terminal 1 at Casablanca's Mohammed V Airport. This is a priority project for RAM, which considers operation optimization the most crucial step in order to regain market share and consolidate its position in the Moroccan aviation market. RAM is extremely committed to this program and sees the operations optimization project a key element for the success of its business plan. RAM has demonstrated its commitment to implement the results of the study, as evidenced by the proposed cost share on the project.
A background Definitional Mission report is provided for reference in Annex 2.

1.2 OBJECTIVE

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$337,880. **The USTDA grant of $US337,880 is a fixed amount. Accordingly, <u>COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted</u>.** 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$337,880 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.

The Feasibility Study will be funded under a grant from USTDA and an in-kind cost share from the Grantee. The total amount of the USTDA grant is not to exceed US $337,880 dollars. The total budget for the Project is US$442,127, of which the Grantee shall provide an in-kind cost share of US $104,247 to partially fund the costs of goods, consultancy and services required for the completion of the Project. The Grantee's in-kind cost share will include such costs as the Contractor's lodging, airfare, ground transportation, office use, secretarial support and daily lunches in Morocco.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called Royal Air Maroc Operations Optimization Project.

2.2 DEFINITIONS

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

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

2.3 DEFINITIONAL MISSION REPORT

USTDA sponsored a Definitional Mission to address technical, financial, sociopolitical, environmental and other aspects of the proposed project. 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$337,880. The total budget for the Project is US$442,127, of which the Grantee shall provide an in-kind cost share of US $104,247 to partially fund the costs of goods, consultancy and services required for the completion of the Project. The Grantee's in-kind cost share will include such costs as the Contractor's lodging, airfare, ground transportation, office use, secretarial support and daily lunches in Morocco.

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. Please refer to Section 1.4 of this RFP for additional information on the applicability of USTDA's Nationality Requirements."

2.12 LANGUAGE OF PROPOSAL

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

2.13 PROPOSAL SUBMISSION REQUIREMENTS

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

SAAD AZZIOUI
ROYAL AIR MAROC
VP GROUND OPERATIONS
ZONE ZIRAM-AEROPORT NOUASSER
MAROC
PHONE: +212 5 22 49 93 00

An Original and eight (8) copies of your proposal must be received at the above address no later than 12:00PM NOON, on FEBRUARY 12, 2010.

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

2.17 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$337,880, 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 EXPERIENCE AND QUALIFICATIONS

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

As many as possible but not more than six (6) relevant and verifiable project references must be provided for each of the Offeror and any subcontractor, including the following information:

Project name,
Name and address of client (indicate if joint venture),
Client contact person (name/ position/ current phone and fax numbers),
Period of Contract,
Description of services provided,
Dollar amount of Contract, and
Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to 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:

Firm and Team Experience (including detailed resumes) in airport planning and airline operations (55 points) as follows:

- Demand Analysis (15 points): experience in air traffic demand and projections, including international travel.
- Airline Operations Experience (20 points): experience in airline and airport operations, with past projects conducted in the areas of baggage and ground handling.
- Airport Planning Experience (20 points): experience in airport planning, with particularly relevant experience in passenger terminal design. Knowledge and familiarity with ICAO, FAA and TSA regulations.

Work Plan and Methodology (35 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 aviation sector in Morocco and in general, North Africa and the Middle East. Experience working with local authorities, as well as familiarity with local regulations.

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

Price will not be a factor in contractor selection.

ANNEX 1

SAAD AZZIOUI, ROYAL AIR MAROC, VP GROUND OPERATIONS, ZONE ZIRAM-AEROPORT NOUASSER, MAROC, PHONE: +212 5 22 49 93 00

B. ROYAL AIR MAROC OPERATIONS OPTIMIZATION FEASIBILITY STUDY

POC: John Kusnierek, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Royal Air Maroc Operations Optimization Feasibility Study. 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 Royal Air Maroc Operations Optimization project.

Consistent with the Government of Morocco's long term plan to increase tourism, international aviation traffic to and from Morocco has been increasing significantly over the past decade. Royal Air Maroc (RAM) is Morocco's flag carrier and currently serves over six million passengers a year in over 69 destinations, 57 of them international. RAM's international traffic has seen uninterrupted double-digit growth since 2004, at an average rate of 15% annually. In 2007, air liberalization policies changed the air transport regulatory framework of Morocco and the country signed an open skies agreement with the European Union, which resulted in the emergence of new low cost airlines from Europe and the Middle East. The introduction of these new low cost competitors has exerted significant pressure on RAM, which has seen its international flight market share decrease from 56% in year 2000 to 48% in year 2008. In response, RAM has developed a business strategy that includes the development of medium and long-haul routes operated from the hub in Casablanca.

Operational and infrastructure improvements are needed at the Casablanca airport hub in order for RAM to increase its efficiency and capacity. RAM's current operations have shown some areas where improvement is needed, including flight punctuality, baggage and ground handling and passenger processing. It is vital that RAM improve these processes in order to accommodate increasing numbers of international passengers and meet stricter international regulations such as those of TSA for flights destined to the U.S. The airline recognizes that its operations need to be optimized and that it must develop its Casablanca hub in order to increase its capacity and levels of service. The proposed study will provide the foundation for sustainable long-term growth and allow RAM to respond to future demand and improve its standards of service and level of quality. It will also enable them to respond to increased competition and new developments in the Moroccan aviation sector.

As part of the operations optimization program, the Contractor shall develop an operations improvement plan for Terminal 1 at Casablanca's Mohammed V Airport. This is a priority project for RAM, which considers operation optimization the most crucial step in order to regain market share and consolidate its position in the Moroccan aviation market. RAM is extremely committed to this program and sees the operations optimization project a key element for the success of its business plan. RAM has demonstrated its commitment to implement the results of the study, as evidenced by the proposed cost share on the project.

The U.S. firm selected will be paid in U.S. dollars from a $337,880 grant to the Grantee from the U.S. Trade and Development Agency (USTDA) and a grantee cost share of US $104,247, for a total Project budget cost of US $442,127.

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 directly to the Grantee by 12:00pm NOON, FEBRUARY 12, 2010 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

In March 2009, the US Trade and Development Agency (USTDA) awarded a Definitional Mission to Morocco, Royal Air Maroc (RAM) Aviation Project, Project No. CO20099210004 to the KED Group, LLC. Subsequent to the award, Ms. Grace Kalil and Mr. Pablo Riofrio from the KED Team traveled to Morocco to assess potential projects with RAM. The results of this assignment are presented in this Report.

While in-country, the KED Team conducted numerous meetings with RAM representatives, as well as a site visit to Casablanca's Mohammed V airport. Particular attention was placed on the site visit to observe not only the operational procedures of the airline, but also the new infrastructure being developed at Terminal 1, which will become RAM's future hub. The result of these meetings and visits indicated that RAM is in urgent need to modernize and upgrade its operational procedures in response to recent market changes and the airline's plans for utilizing Terminal 1 as an international hub.

Due to recent market changes, including a newly-implemented open-skies agreement and the entrance of new low-cost carriers, RAM launched in 2007 a campaign to expand medium and long-haul routes, which are not only more profitable, but can consolidate the airline's position in the market as the main Moroccan carrier. Among others, the airline expanded service to many destinations in West Africa and North America (through JFK and Montreal). RAM has acknowledged the need to continue such program and has requested the assistance of USTDA in conducting a study that will optimize its current operations at the Casablanca airport in response to increased air traffic and anticipated future route expansion.

Thus, the program being recommended by KED for USTDA funding will allow RAM to optimize operational procedures that will bring the airline to international standards of service and quality. RAM's current operations have shown some areas where improvement is needed, including flight punctuality, baggage and ground handling and passenger processing. Increased pressure has been experienced by the airline as its Casablanca hub has seen continuous growth, with the number of transiting passengers increasing from 5% of total traffic in 2001 to 33% in 2008. It is vital that RAM improves these processes in order to accommodate international passengers and meet stricter international regulations such as those of TSA for flights destined to the US.

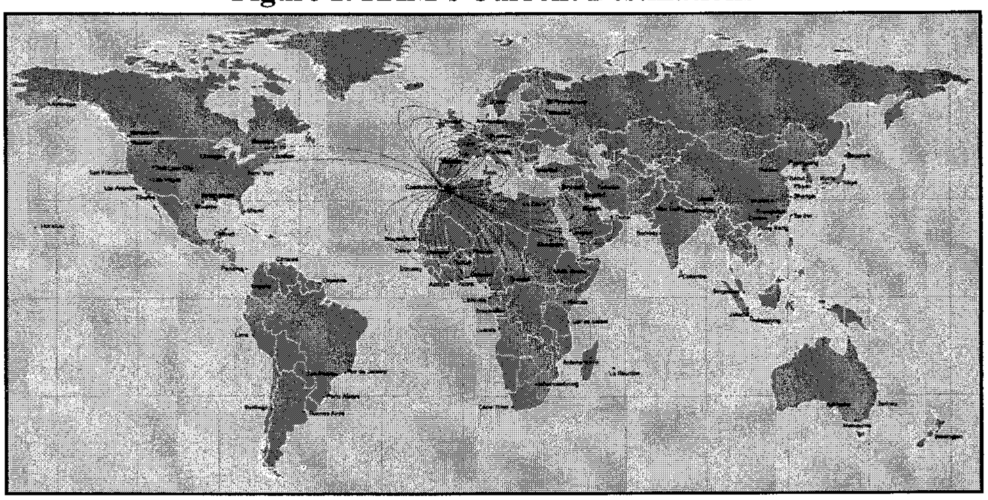
It is anticipated that US exports resulting from the study will consists of a wide range of products and technologies, including new baggage and ground handling equipment, fire and emergency vehicles and IT systems. The US is very competitive in these areas, although there is strong competition from European suppliers who have a long history working of the region. In terms of project implementation financing, RAM's

financial statements, as well as the conversations held by KED Team members with commercial banks and financial institutions, indicate that the results of the project may be self-financed and that RAM is in a good sound financial position to obtain financing through commercial banks and other assistance through financial entities such as the United States Ex-Im Bank. Finally, we anticipate that the study will foster increased productivity, safety and security for airline users.

PROJECT DESCRIPTION

Royal Air Maroc (RAM) is Morocco's flag carrier and currently serves over six million passengers a year in over 69 destinations, 57 of them international. From 1994 to 2008, the airline increased its number of international passengers alone from approximately one million per year to close to four million. The regular international traffic of RAM has seen uninterrupted double-digit growth since 2004 at an average of 15% annually. RAM has expanded its base by introducing Atlas Blue, a low cost carrier, and in the near future, RAM Express, a new domestic airline.

Figure 1. RAM's Current Destinations



Year 2007 was crucial for RAM as new air liberalization policies changed the air transport regulatory framework of Morocco. As a result of a process that started in 2004, Morocco signed an open skies agreement with the European Union, which focused on the liberalization of markets, simplification of authorization procedures, increased integration and the promotion of market competitiveness. The agreement included the elimination of limitations of nationality, capacity, flight frequencies or routes for passenger flights between Morocco and the European Union, resulting in the emergence of new low cost airlines from Europe and the Middle East. New competitors such as EasyJet, Aigle AZUR and Jet4you started operating in the country, including at RAM's hub in Casablanca and major tourist destinations across Morocco. At the same time, traditional European carriers such as Iberia and Air France withdrew from the market and revamped their business strategy by providing services through low cost subsidiaries such as

Clickair and Transavia. The introduction of these new low cost competitors has exerted significant pressure on RAM which has seen its international flight market share decrease from 56% in year 2000 to 48%[1] in year 2008. In response, RAM has developed a three-tier business strategy:

- Point-to-point low cost flights through its subsidiary Atlas Blue
- Domestic flights through a new subsidiary (to open in June) – RAM Express
- Medium and long-haul routes through RAM's traditional carrier operated from the hub in Casablanca

Most recently, RAM has established services to several Western Africa destinations such as Accra, Brazzaville, Freetown, Malabo and Yaounde.

It is important to note that RAM's operation takes place from its hub in Casablanca. It is our opinion, as well as RAM's belief, that Casablanca has good attributes to not only become a destination from the US, the Middle East and South America for those passengers traveling to and from Morocco, but also as a hub for passengers transiting from the US to the Middle East or other parts of Africa. Casablanca's geographical position, as well as the modern infrastructure at the Mohammed V Airport, may allow RAM to consolidate its hub at this location. The airline currently operates from Terminals 2 and 3 at the airport, but the National Office of Airports (ONDA) has agreed to modernize Terminal 1 and provide it for the exclusive use of RAM. While the new terminal is a good asset for the airline, RAM has acknowledged that it needs to optimize its operations in order to take full advantage of the new infrastructure available, increase its efficiency, and provide adequate levels of service that respond to international standards. The KED Team conducted a site visit to Mohammed V Airport to assess the operational capacity of RAM, the existing and planned infrastructure and potential for improvement. During the site visit, it became evident that some operational and infrastructure improvements need to take place in order for RAM to increase its efficiency and capacity. Some of our observations included:

- Security screening of enplaning passengers is complex and the existing security equipment does not seem adequate for the existing level of passenger traffic.
- Security access control from remote positions does not seem adequate. Although the passengers are sterile coming from the planes, complex security procedures take place at the entrance of the terminal, resulting in long lines and delays. In addition, smokers pose risks as they wait at the terminal's entrance on the airside where there is presence of jet fuel in the platform.
- Baggage handling is conducted over a 25 minute period exceeding regular 15-20 minute standards. Baggage handling processes need to be addressed and the baggage handling space needs to be reviewed. The option of improving IT systems and provide hand bag code scanners needs to be considered.

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[1] This amount includes both RAM's market share and the current market share of its subsidiary Atlas Blue.

- Security queuing space at the transit area is not adequate, the lack of space separation results in the mix of passenger flows from different flights at the transit area.
- The functional spaces at the departures terminal need to be redistributed. There is unoccupied space in the public area, while there is a lot of congestion in the processing area (in front of the counters).
- Passenger processing times exceed those set by international standards (two minutes). It is recommended that passenger processing procedures are evaluated and improved.
- Airport signage/FIDS at the terminal and gates needs to be relocated in order to improve the flow of passengers.
- The gate areas need some sort of separation to maintain passengers of the same flight in a close proximity to the gate.
- The disembarking corridor is excessively wide; hence, reducing the transit lounge.
- In general signage indicating the baggage claim areas, exit and transit areas is non-existing. The implementation of a terminal signalization program should improve passenger flow throughout the terminal.
- RAM's flight operation officers require isolated cubicles that will allow them to work with less noise and distractions.
- There are too many obsolete and damaged materials stored around operational areas on the platform. Procedures need to be developed to dispose of any unwanted materials.
- The airplane waste area should be covered and ventilated, equipped with a glycol separator and recycling equipment.

RAM understands that its operations need to be optimized in order for the airline to increase its capacity and levels of service. Thus, RAM has requested the assistance of USTDA in funding a study that would assist them in providing recommendations for improvement of operations and procedures at the Casablanca hub. The objective of study is to assist RAM in developing an operations optimization program that will support the establishment of Terminal 1 at Casablanca's Mohammed V Airport as a hub for RAM's operations and promote the highest levels of quality and service according to international standards. The Consultant shall develop an operations improvement plan for Terminal 1 at Casablanca's Mohammed V Airport that would allow RAM to:

- Optimize its operational processes, particularly for baggage, flight and ground handling (passengers and station management).
- Establish an effective management system for baggage handling and improve flight punctuality.
- Reduce baggage handling irregularities, "missed-flight" passengers, and transit passenger accommodation cases.

- Improve coordination of activities with ONDA, immigration and custom officials and foster collaboration with these entities.

PROJECT SPONSOR CAPABILITIES AND COMMITMENT

RAM is Morocco's flag carrier. The airline has been in operation since the 1950s and is primarily owned by the Moroccan government. Today, RAM has over 5,000 employees and serves over six million passengers annually. The airline's fleet is composed of twenty five B737-700 and B737-800, twelve B737-400 and B737-500 and several other aircraft, for a total of 54 planes. Currently, RAM also owns Atlas Blue, a low cost carrier and RAM Express, a new domestic carrier which will initiate operations in June this year.

Our meetings with RAM, as well as research conducted in-house, indicates that the airline has a well-established organizational structure and the capacity needed to conduct the project. In regards to the commitment and priority of the project for RAM, our research indicates that the hub optimization study requested by RAM responds to the airline's current plan for expanding its services and continuing to operate its 50% of the total airline market share in the country. The airline has been working towards achieving its goal, in coordination with ONDA, of establishing Terminal 1 as the main hub for its operations. As this will mark significant changes in the available infrastructure, RAM is aware and understands the importance of optimizing its operations through the implementation of new technologies, modernization of equipment, revision of current procedures and level of service. Based on the meetings conducted with RAM during the mission, we believe that the airline has the operational capacity to implement the resulting business and operations improvement project and the financial viability to address the equipment needs resulting from implementing a program of this nature.

It is our opinion that RAM is extremely committed to this program and sees the operations optimization project as a key element for the success of its business plan. The airline has requested that we work closely with USTDA with the initial goal of starting the program by November, at which time RAM will be receiving some new aircraft and establishing new operations.

IMPLEMENTATION FINANCING

The financial information provided by RAM (i.e. financial statements, annual reports, etc.) as well as meetings held with entities such as the African Development Bank and Citibank indicates that RAM has a sound financial condition. Audited financial data from 2007 shows that the airline's operating income exceeds 700 million MAD a year, with a 4.5% annual increase. Shareholder's equity increased by over 50% during the last five years and the degree of financial leverage has been reduced from approximately from 4 to 1.8%.

In 2007, RAM invested 1.7 billion MAD in procuring new aircraft that was delivered by 2008 and will continue to be delivered until 2013. The airline also obtained one billion

MAD in loans to procure additional aircraft. We believe that RAM has the financial capacity to obtain additional funds or finance new equipment through its existing and future financial resources.

Additional funds may be obtained through commercial bank loans or financial institutions. In this regards, we met with Mr. James Morrow from Citibank, which has a long-standing relationship with RAM. He indicated that the bank has provided aircraft and equipment procurement funds in the past and that he does not foresee any particular issues in the future. As the details of any financing will need to be considered at the appropriate time, we believe that commercial bank loans are a viable source of funding for RAM. KED also made contact with representatives from the Ex-Im Bank. Mr. Dario Avello from Ex-Im indicated that the Bank has successfully worked with RAM in the past and that Ex-Im could certainly be a financing source in the future.

In regards to other important market players, such as African Development Bank, our meeting with Mr. Fundani Matondo, the Bank's representative in Morocco, indicated that while the entity has an important presence in the aviation sector, this has been mostly through ONDA. At this time, African Development Bank has approved significant funding to ONDA to conduct an improvement program at six of the largest airports in the country (including Mohammed V), as well as airspace modernization projects. While these funds will be targeted to infrastructure development, we consider that RAM will benefit from the program as Mohammed V's Terminal 1 is modernized. It is anticipated that 500 million MAD will be allocated to Terminal 1 alone during the next three years.

US EXPORT POTENTIAL

While in-country, the KED Team conducted an assessment of the US export potential for this project taking into consideration past procurement practices of RAM, the existing technologies and its compatibility with US products and the type of equipment needed as a result of program implementation. The implementation of an operations optimization program will require additional equipment including IT, emergency vehicles, baggage handling systems, security devices, etc. The anticipated exports of the hub optimization program are presented in Table 1 of this Report.

During the course of the mission, the KED Team has contacted several potential US exports in the areas above to discuss their interest in the project, past experience in the market and product availability. The results of these communications are presented under Annex A of the Report.

It is important to note that for the most part, the response of US suppliers, manufacturers and service providers was positive and enthusiastic. Among others, our list of contacts included representatives from Honeywell, Pratt and Whitney, Jeppesen and MITRE. At the same time our conversations with members of RAM indicate that they are interested in using US suppliers and consider US products of high quality. While competition in the market is strong as presented in Section F, we anticipate that there are opportunities for US companies and that US products are competitive in terms of quality and price. Among the US suppliers contacted, those that had previous experience in Morocco had good experiences in the country while working for both ONDA and RAM.

Table 1. US Export Potential – Operations Improvement Program

DESCRIPTION	UNIT	QTY	UNIT COST	US DOLLARS
PAX TERMINAL				
Baggage Handling Systems	LS	1	$1,500,000	$1,500,000
Security Screening Devices (includes EDS)	EACH	1	$1,700,000	$1,700,000
IT and Communications Equipment in the Terminal	LS	1	$500,000	$500,000
Flight Information Display Systems	LS	1	$750,000	$750,000
Aircraft Tugs Push Back Equipment	LS	1	$480,000	$480,000
Subtotal				**$4,930,000**
CARGO TERMINAL				
Refrigeration Equipment	LS	1	$250,000	$250,000
Cargo Movement Equipment	LS	1	$450,000	$450,000
IT System for Cargo Control	LS	1	$250,000	$250,000
Subtotal				**$950,000**
CRASH FIRE RESCUE EQUIPMENT				
Large Trucks	EACH	2	$450,000	$900,000
Medium Size trucks	EACH	2	$360,000	$720,000
Rapid Intervention Vehicle	EACH	1	$240,000	$240,000
Water Tender	EACH	1	$180,000	$180,000
Support vehicles	EACH	2	$50,000	$100,000
Subtotal				**$2,140,000**
FUEL DISTRIBUTION EQUIPMENT				
Aircraft Fueling Trucks	EACH	3	$230,000	$690,000
Control Equipment	LS	1	$150,000	$150,000
Fire Suppression Equipment	LS	1	$300,000	$300,000

DESCRIPTION	UNIT	QTY	UNIT COST	US DOLLARS
Miscellaneous Equipment	LS	1	$50,000	$50,000
Subtotal				**$1,190,000**
TOTAL				**$9,210,000**

FOREIGN COMPETITION AND MARKET ENTRY ISSUES

Due to its proximity to Europe and the long history between Spain and France and Morocco, we anticipate that competition will be strong for US companies. The EU Country Strategy Paper for Morocco for the period 2006-2008 identifies transportation as one of the six main areas of involvement of the EU in Morocco. The EU has just negotiated an economic and political cooperation agreement with Morocco, which involves many other EU policies, such as trade, agriculture, health and consumer, etc. and which will have a major influence on the relations between the EU and Morocco in the coming years. In addition, Morocco is part of the Maghreb Union and has traditionally demonstrated an interest to integrate with African and Arab countries in close proximity. Our previous experience in Africa indicates that there is an increased reliance on countries such as South Africa for equipment needs due to decreased transportation costs.

As we conducted our site visits at the airport, the influence of European companies and European designs was notable. Many of the operational practices reflect those of European airports and equipment from French, Spanish and Dutch manufacturers. For instance, fire trucks were from Iveco (French), boarding bridges were from Thyssen (German), baggage handling systems were from Van Der Lande (Dutch) and small vehicles were Peugeot.

DEVELOPMENTAL IMPACT

Part of USTDA's mission is to ensure the advancement of economic development for the Grantee and the Host Country. With this goal in mind, KED has anticipated that the projects and activities resulting from the proposed study will have a significant impact on human capacity building, technology transfer and productivity improvement as follows:

Human Capacity Building: When implemented the Project will require additional staff for RAM at the Casablanca hub and other locations throughout the world, thus creating new job opportunities. Some of the areas where we foresee this creation of jobs include baggage and cargo handling, security screening, passenger ticketing and servicing, flight crew, etc. We estimate that between 10-15 new individuals will be needed per new flight. Although the study will provide a clearer picture of how the organization needs to be structured, we believe that at this time RAM has an inadequate number of staff for the demand handled.

In addition, training will be needed for supervisors in regards to the International Civil Aviation Organization (ICAO) Annex 17 procedures – an issue that was discussed with RAM during our visit – as well as flight operations. We anticipate that between 20-30 supervisors will be trained in these areas.

Technology Transfer and Productivity Improvement: The implementation of the study recommendations is targeted to provide RAM with a set of activities to optimize its operations and ultimately enhance its productivity. Some significant impacts in this area include:

- The reduction of baggage handling time from 25 minutes to 15-20 minutes
- The reduction in passenger processing time to the two minute international standard
- The reduction of missed-flight passenger cases and passenger accommodation cases
- The increase in the rate of on-time flight operations

Market-Oriented Reforms: This project will promote increased competition in the Moroccan aviation sector and increased connectivity between Morocco and other parts of the world which are not currently being served such as the southern portion of North America and possibly Latin America.

Infrastructure: The study will provide recommendations for infrastructure development. Although the development of infrastructure does not fall under the direct responsibility of RAM, we anticipate that improvements to the physical infrastructure of the airport (Mohammed V) will take place as RAM works with ONDA in the optimization of its hub.

IMPACT ON THE ENVIRONMENT

KED does not anticipate that the implementation of the programs resulting from the proposed study will have significant negative impacts on the environment. However, there are some areas that need to be analyzed as part of the program including increased noise and air quality due to a larger number of operations at the airport. Based on the site visit conducted to the airport, we are aware that there are some environmental procedures that may be improved and we anticipate the study to provide such recommendations. Some positive impacts on the environment which are anticipated from the study include:

- Improvement of waste and contaminating substance management, including airplane waste areas, recycling glycol, jet fuel and diesel.
- Improvement in the management of disposable materials such as metals, boxes, and small equipment.

IMPACT ON US LABOR

It is KED's 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 in Morocco 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 believe that this project could have a positive impact by opening opportunities to US suppliers of baggage and ground handling equipment, IT systems, aircrafts and aircraft parts, etc.

JUSTIFICATION

As noted above, the proposed study will be of utmost important for the future success of RAM. It is extremely important that RAM takes early action in dealing with current market changes and modifying its business strategy in order to become more competitive in a rapidly-changing industry. We feel that this project will provide RAM with the recommendations needed in order to increase its efficiency through improved operations. RAM has a great opportunity to develop its Casablanca hub. This study will provide the foundation for sustainable long-term growth and allow RAM to not only respond to future demand, but also improve its standards of service and level of quality and safety. In addition to the need that RAM may have for this project, we believe that it contains all the elements needed for its success including:

- **Strong commitment from the Grantee.** RAM has demonstrated that it places a high priority on this project and that its staff and representatives are extremely committed to implement the results of the study. In addition, our experience has demonstrated that they have a high interest in working with USTDA and are open to work in close coordination with the selected Contractor. RAM's commitment is also evidenced by the proposed cost share on the project.

- **Potential for US exports.** We anticipate potential US exports to reach around $10 million. The US is highly competitive in aviation and airline related equipment and our contact with US suppliers indicates a high level of interest in RAM. Further, our conversations with RAM representatives indicate that they are extremely open to work with US companies and have a high regards for US products. We anticipate that this study will provide US companies with a good opportunity to reach this market.

- **Likely financing for implementation.** Our assessment of RAM indicates that the company has a solid financial condition and we do not anticipate any issues arising from funding needs. Financial institutions that have worked with RAM in the past believe that commercial loans or export agency credits are readily available for RAM as required.

Finally, the project will provide some good developmental impacts, including the training of staff, human capacity building and technology transfer. Some anticipated impacts include:

- Training of security, baggage handling and ground handling personnel
- Creation of new jobs at the Casablanca hub and other destinations
- Increased in efficiency and productivity levels at the minimum in the following areas: (a) baggage time processing, (b) baggage inventory systems, (c) passenger processing time, (d) security procedures

ANNEX3

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) <u>Application</u>

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) <u>Definitions</u>

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) <u>Rule</u>

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) <u>Application</u>

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) <u>Definitions</u>

"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

PDF:
CK
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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 Royal Air Maroc ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US$337,880 ("USTDA Grant") to partially fund the cost of goods and services required for a feasibility study ("Study") on the proposed Royal Air Maroc Operations Optimization project ("Project") in Morocco ("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 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 and Contractor Support

The Grantee shall undertake its best efforts to provide reasonable support for the Contractor.

In particular, in addition to the USTDA funding provided under this Agreement, the Grantee shall provide $104,247 worth of in-kind costs towards the completion of the Terms of Reference, including such costs as the Contractor's lodging, airfare, ground transportation, office use, secretarial support and daily lunches (the "In-Kind Cost Share"). The Grantee shall provide the In-Kind Cost Share to the Contractor in accordance with the provisions set forth in the Contract between the Grantee and the Contractor.

5. USTDA as Financier

(A) 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.

(B) 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.

(C) 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 isMay 20, 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, and I.

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 H 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 and Chief Executive Officer. 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: Saad AZZIOUI
Royal Air Maroc
VP Ground Operations
Zone ZIRAM - Aéroport Nouasser - Maroc
Phone : +212 5 22 49 93 00
Fax : +212 5 22 49 96 50
sazzioui@royalairmaroc.com

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.:1110/11 1001
Activity No.:2010-21004A
Reservation No.:2010210003
Grant No.:GH2010210002

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.

[THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Government of the United States of America and Royal Air Maroc, 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 Royal Air Maroc**
By: Samuel L. Kaplan Ambassador	By: Driss BENHIMA Pdg.
Date: 11-9-09	Date: 3/11/2009
Witnessed:	Witnessed: Saâd AZZIOUI
By: ______	By: ______

Annex I -- Terms of Reference

Annex II – Mandatory Clauses

Annex I

Terms of Reference

TERMS OF REFERENCE

Objectives: The objective of the study is to assist the Grantee in developing an operations optimization program which will support the establishment of a hub at Terminal 1 at Casablanca's Mohammed V Airport. The study shall allow the Grantee to:

- Optimize its operational processes, particularly for baggage, flight and ground handling (passengers and station management).
- Establish an effective management system for baggage handling and improve flight punctuality.
- Reduce baggage handling irregularities, "missed-flight" passengers, and transit passenger accommodation cases.
- Improve coordination of activities with National Office of Airports (ONDA), immigration and custom officials and foster collaboration with these organizations.

Project Tasks: The Contractor shall conduct the following tasks during the course of the study:

Task 1: Kick-off Meeting & Project Start-Up

The Contractor shall meet with the Grantee executives to present the team, goals, Study methodology and finalize any details regarding the performance of the Study, including any issues that may need to be considered to calibrate the forecasts to real-life conditions (e.g., fleet plans, route expansion, capacity constraints).

The Contractor shall conduct a site visit and inspection to Terminal 1 at Casablanca's Mohammed V Airport. The site visit shall cover, at the minimum, a physical inspection of the airside and landside, as well as an assessment of current operations of the airline.

DELIVERABLE #1: INCEPTION REPORT

The Contractor shall prepare an inception report describing the site visit, the projected work schedule and deployment of Contractor personnel.

Task 2: Analysis of Current Conditions and Development of a Baseline for Demand

The Contractor shall conduct a demand analysis that will be utilized as basis for the hub optimization program. As part of this task, the Contractor shall prepare air traffic demand forecasts for passengers and cargo for the Casablanca hub. The Contractor shall collect the Grantee's hourly, monthly and annual historical traffic data for aircraft, passengers and cargo at Casablanca for both local and international traffic. This information shall be categorized by trip origin and/or destination. If feasible, a breakdown by trip purpose (tourism, business, and any other significant market segment) should also be provided, at a minimum, for international passengers.

Based on this information, the Contractor shall prepare annual and peak hour forecasts for international origin, destination, transit passengers and domestic passengers, as well as for air cargo and aircraft movements over a fifteen-year period for the Casablanca hub in order to establish the hub's real long-term growth rates by market segment. In addition, the Contractor shall examine the composition of the Grantee's fleet by type of aircraft using the air terminal. The demand analysis shall be modified and revised based on current and projected near-term market conditions (i.e. expansion of routes, change in schedules, macroeconomic data).

The Contractor shall conduct an analysis of the Grantee's infrastructure at Terminal 1 (based on the site visit on Task 1) and operative environment that will provide the basis for developing a baseline for the Grantee. The analysis will include, but not be limited to, the following areas:

- Baggage and ground handling
- Aircraft turnaround and maintenance
- Ticketing and customer service
- Flight punctuality and levels of missed flight passengers
- Organizational Structure
- Cargo handling
- Equipment, including IT systems for security and baggage

Task 3: Service Level Specifications and SWOT Analysis

The Contractor, in consultation with the Grantee, shall define a standard of service level at the Casablanca hub in terms of operations and capacity, making clear recommendations regarding infrastructure and operative changes. The service level specifications analysis shall be based on the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA) standards.

The Contractor shall conduct a strengths, weaknesses, opportunities and threats (SWOT) analysis that details the competitiveness of the Grantee at its Casablanca hub in terms of levels of service, operations, financial capacity, fleet mix, marketing strategies, partnerships, distribution and promotion. The Contractor shall determine the areas where the airline needs to improve from an operational perspective considering the topics above.

DELIVERABLE #2: BASELINE AND SWOT ANALYSIS

The Contractor shall prepare a Report containing the results of Tasks 2-3 above. This Report shall include, but not be limited to, the following:

- An overview of the Grantee's current operations, processes and infrastructure, including those for ground and baggage handling, ticketing and levels of service, coordination with other entities (such as ONDA, immigrations, customs), flight punctuality and "missed-flight" passengers.
- A market analysis of the Grantee's competitiveness, challenges and competition faced by the airline at its Casablanca hub based on projected demand and the proposed service level specifications.
- Preliminary recommendations for improvement of operations and infrastructure at Casablanca.

Task 4: Operations Improvement Program

The Contractor shall review the existing and planned facilities at Mohammed V Airport, giving particular consideration to the Grantee's proposed hub at Terminal 1. The Grantee shall make the design drawings and master plan documents available to the Contractor. As part of this task, the Contractor shall review the design drawings, the master plan recently prepared by ONDA for the area, specs, and provide recommendations for improving the operational parameters for the airline. The Contractor shall review the pros and cons of the following: terminal design concept; the method of passenger conveyance on the airside; the terminal curb frontage; key passenger terminal areas including ticketing and baggage check-in counters; passport control; passenger hold rooms; baggage system and claim devices; customs inspection; passenger circulation; concessions and amenities; flight information display systems (FIDS/BIDS); and airline offices.

In addition, the Contractor shall analyze the physical security requirements for the operation of the hub in accordance to ICAO Annex 17 and Transportation Security Administration (TSA) security requirements for direct flights to the US and consider cargo infrastructure needs, including cold storage and other related facilities needed for agricultural exports. The Contractor shall develop recommendations for handicap accessibility taking into consideration new laws and regulations in Morocco, particularly for Terminal 1.

Based on the results of the demand analysis (per Task 2 above), the Contractor shall develop an operations improvement program, providing recommendations for operational modernization and enhancement in accordance with the levels of service in Task 3. This shall include but not be limited to: staffing and equipment needs for baggage and ground handling; passenger check-in; customs and immigration for enplaning and deplaning passengers; aircraft turnaround and flight departure and arrival; and any other areas where the Contractor had identified operational deficiencies.

As part of this task, the Contractor shall determine the staffing and infrastructure requirements for adequate coordination of activities between the Grantee and immigration and custom agents, ONDA and any other entities responsible for aviation and air traffic management in Morocco and which have an impact on RAM's operation at the Casablanca hub.

Task 5: Capital Costs and Investment Requirements

The Contractor shall prepare detailed cost estimates, including engineering costs and capital equipment costs for each item of development or improvement at the Casablanca hub and for each phase of development. The cost estimates shall be based on the results from Tasks 3 and 4 of the study. Based on these cost estimates, the Contractor shall propose a five-year operations improvement program.

The Contractor shall develop a schedule of capital investments, as well as estimated maintenance and operation expenses related to the capital investment program. The Contractor shall provide recommendations regarding potential financing alternatives considering equipment lifespan and payback period. Among others, the Contractor shall assess the feasibility and adequacy of obtaining financing through the Ex-Im Bank, supplier credits and at least three (3) commercial banks.

Task 6: Preliminary Environmental Review Assessment

The Contractor shall prepare a preliminary review of the project's anticipated impact on the environment with reference to local requirements and international agencies (such as the World Bank). This review shall identify potential negative impacts, discuss the extent to which they can be mitigated, and develop plans for a full environmental impact assessment if and when the project moves forward to the implementation stage. This includes the identification of steps that will need to be undertaken by the Grantee subsequent to the study's completion and prior to project implementation. The Contractor shall place particular attention on matters related to contaminating substance management, including airplane waste areas, recycling glycol, jet fuel and diesel and management of disposable materials.

DELIVERABLE #3: OPERATIONS OPTIMIZATION PROGRAM

The Contractor shall prepare an operations optimization Report containing the findings of Tasks 4, 5 and 6 above. The Report shall contain a business plan for the Grantee to adequately implement the recommended operations optimization program and shall encompass all tasks above. The Contractor shall present clear strategies for the Grantee to increase its market share and profitability in the near term by improving operational efficiency.

The Report shall also provide an operations optimization program considering the existing and planned airport infrastructure at Terminal 1 at Mohammed V airport. The program shall include at the minimum the recommendations regarding the following:

- An effective management system for baggage handling and recommendations to reduce the number of baggage irregularities;
- Systems for improvement of ground handling;
- A proposed organizational structure and staffing plan to accommodate operational requirements;
- Equipment and systems needed to enhance operations at the Casablanca hub;
- Possible infrastructure requirements to support forecasted demand;
- A plan for coordination of activities with customs, immigration and ONDA representatives;
- Improvement of flight punctuality, passenger levels of service, and transit passenger accommodation cases;
- An investment and capital cost estimate for program implementation, as well as potential sources of financing and terms for each; and
- The results of environmental review assessment, including recommendations for mitigation of potential impacts.

The Report shall contain a checklist of recommendations to measure the implementation of the business plan and improvements made by the Grantee.

Task 7: Developmental Impact

The Contractor shall report on the potential development impacts of the Project in Morocco. While specific focus should be paid to the immediate impact(s) of the Project, the Contractor will include, where appropriate, any additional developmental benefits of the project, including spin-off and demonstration effects. The Contractor's analysis of potential benefits shall be as concrete and detailed as possible, providing clear measures of each impact. The development impact factors are intended to provide the Project's decision-makers and other interested parties with a broader view of the study's potential effects in Morocco. The Contractor shall provide estimates of the Project' potential benefits in the following areas:

(a) Infrastructure and Industry: The Contractor shall provide a synopsis of the infrastructure built as a result of the study. For this Project, particular attention shall be given to any infrastructure modernization or expansion resulting from the recommendations for Terminal 1 in Casablanca's Mohammed V Airport.

(b) Market 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. Particular emphasis shall be given to any changes resulting from the Grantee's establishment of Terminal 1 at the Casablanca Airport as its regional hub, such as increased levels of service, changes in market shares, increased financial profitability, institutional and organizational changes.

(c) Human Capacity Building: The Contractor shall address the number and type of positions that would be needed to implement, manage, and operate the proposed Project. The Contractor shall also determine the number of people who will receive training and a description of a proposed training program. Given that this study requires recommendations for an improved organizational structure, the Contractor shall estimate the number and type of jobs to be created, as well as any training programs recommended for improving operations, security or levels of service at the airline.

(d) Technology Transfer and Productivity Enhancement: The Contractor shall provide a qualitative and quantitative description of productivity enhancements associated with Project implementation such as increased flight punctuality and reduced number of baggage handling issues. The Contractor shall provide a clear matrix that will allow the Grantee and other stakeholders to measure the success of implementing the operations optimization program in terms of ground and baggage handling, ticketing and levels of service, flight delays and passenger accommodations, etc. The Contractor shall also provide a description of any advanced technologies that would be utilized as a result of this Project.

(e) Other: The Contractor shall identify any other developmental benefits of the Projects, including any spin-off or demonstration effects.

Task 8: Identification of US Suppliers

While aiming at optimum specifications and characteristics for the Project, the Contractor shall make an assessment of the availability of potential U.S. sources of goods and services that may be needed to implement the Project including, but not limited to: security equipment, baggage handling equipment, IT systems, and FIDS/BIDS. The Contractor shall supply business name, points of contact, address, telephone, e-mail, and fax numbers for each source.

Task 9: Final Report and Briefing

At the end of the study, the Contractor shall conduct a one-day briefing in Morocco to present the project findings and conclusions to the Grantee's representative. The briefing shall outline the findings, recommendations and conclusions of the Study and cover the results from each task above.

The Contractor shall prepare and provide and comprehensive Final Report for submission to the Grantee and to USTDA, which shall contain all findings, recommendations, and conclusions of the Study, and shall incorporate all other documents and/or reports provided pursuant to Tasks 1 through 8 above. The Final Report shall be a substantive and comprehensive report of work performed to carry out all of the tasks set forth in the Terms of Reference and shall include, among others, an Executive Summary and all deliverables.

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 Final Report shall be prepared in accordance with Clause H of Annex II of the Grant Agreement. The Final Report shall also include a comprehensive list of suppliers, including potential sources of US equipment and services and clear, quantitative developmental impacts associated with the implementation of the study. One copy in English shall be provided to the US Consulate in Casablanca.

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 I-1

Annex II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this contract acknowledge that this contract is funded 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 Royal Air Maroc ("Client"), dated __________ ("Grant Agreement"). The Client has selected ______________ *[full corporate name]* ("Contractor") to perform the feasibility study ("Study") for the Royal Air Maroc Operations Optimization project ("Project") in Morocco ("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, and I. 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. 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 (i) an approved Final Report in accordance with the specifications and quantities, set forth in Clause H below, and (ii) the cost-share certification and cost breakdown, set forth in Clause K 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.

H. 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, and 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.

I. 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.

J. Study Schedule

(1) Study Completion Date

The completion date for the Study, which is May 20, 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.

K. Cost Share

The Grantee agrees that, in addition to the funding provided by the USTDA Grant, it shall provide US$ 104,247 worth of in-kind costs including such costs as the Contractor's lodging, airfare, ground transportation, office use, secretarial support and daily lunches (the "In-Kind Cost Share") towards completion of the full Terms of Reference as set forth in Annex I to the Grant Agreement and this Contract. The Grantee shall provide the In-Kind Cost Share to the Contractor in accordance with the provisions set forth in the Contract between the Grantee and the Contractor.

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.:1110/11 1001
Activity No.:2010-21004A
Reservation No.:2010210003
Grant No.:GH2010210002

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

TERMS OF REFERENCE

Objectives: The objective of the study is to assist the Grantee in developing an operations optimization program which will support the establishment of a hub at Terminal 1 at Casablanca's Mohammed V Airport. The study shall allow the Grantee to:

- Optimize its operational processes, particularly for baggage, flight and ground handling (passengers and station management).
- Establish an effective management system for baggage handling and improve flight punctuality.
- Reduce baggage handling irregularities, "missed-flight" passengers, and transit passenger accommodation cases.
- Improve coordination of activities with National Office of Airports (ONDA), immigration and custom officials and foster collaboration with these organizations.

Project Tasks: The Contractor shall conduct the following tasks during the course of the study:

Task 1: Kick-off Meeting & Project Start-Up

The Contractor shall meet with the Grantee executives to present the team, goals, Study methodology and finalize any details regarding the performance of the Study, including any issues that may need to be considered to calibrate the forecasts to real-life conditions (e.g., fleet plans, route expansion, capacity constraints).

The Contractor shall conduct a site visit and inspection to Terminal 1 at Casablanca's Mohammed V Airport. The site visit shall cover, at the minimum, a physical inspection of the airside and landside, as well as an assessment of current operations of the airline.

DELIVERABLE #1: INCEPTION REPORT

The Contractor shall prepare an inception report describing the site visit, the projected work schedule and deployment of Contractor personnel.

Task 2: Analysis of Current Conditions and Development of a Baseline for Demand

The Contractor shall conduct a demand analysis that will be utilized as basis for the hub optimization program. As part of this task, the Contractor shall prepare air traffic demand forecasts for passengers and cargo for the Casablanca hub. The Contractor shall collect the

Grantee's hourly, monthly and annual historical traffic data for aircraft, passengers and cargo at Casablanca for both local and international traffic. This information shall be categorized by trip origin and/or destination. If feasible, a breakdown by trip purpose (tourism, business, and any other significant market segment) should also be provided, at a minimum, for international passengers.

Based on this information, the Contractor shall prepare annual and peak hour forecasts for international origin, destination, transit passengers and domestic passengers, as well as for air cargo and aircraft movements over a fifteen-year period for the Casablanca hub in order to establish the hub's real long-term growth rates by market segment. In addition, the Contractor shall examine the composition of the Grantee's fleet by type of aircraft using the air terminal. The demand analysis shall be modified and revised based on current and projected near-term market conditions (i.e. expansion of routes, change in schedules, macroeconomic data).

The Contractor shall conduct an analysis of the Grantee's infrastructure at Terminal 1 (based on the site visit on Task 1) and operative environment that will provide the basis for developing a baseline for the Grantee. The analysis will include, but not be limited to, the following areas:

- Baggage and ground handling
- Aircraft turnaround and maintenance
- Ticketing and customer service
- Flight punctuality and levels of missed flight passengers
- Organizational Structure
- Cargo handling
- Equipment, including IT systems for security and baggage

Task 3: Service Level Specifications and SWOT Analysis

The Contractor, in consultation with the Grantee, shall define a standard of service level at the Casablanca hub in terms of operations and capacity, making clear recommendations regarding infrastructure and operative changes. The service level specifications analysis shall be based on the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA) standards.

The Contractor shall conduct a strengths, weaknesses, opportunities and threats (SWOT) analysis that details the competitiveness of the Grantee at its Casablanca hub in terms of levels of service, operations, financial capacity, fleet mix, marketing strategies, partnerships, distribution and promotion. The Contractor shall determine the areas where the airline needs to improve from an operational perspective considering the topics above.

DELIVERABLE #2: BASELINE AND SWOT ANALYSIS

The Contractor shall prepare a Report containing the results of Tasks 2-3 above. This Report shall include, but not be limited to, the following:

- An overview of the Grantee's current operations, processes and infrastructure, including those for ground and baggage handling, ticketing and levels of service, coordination with other entities (such as ONDA, immigrations, customs), flight punctuality and "missed-flight" passengers.
- A market analysis of the Grantee's competitiveness, challenges and competition faced by the airline at its Casablanca hub based on projected demand and the proposed service level specifications.
- Preliminary recommendations for improvement of operations and infrastructure at Casablanca.

Task 4: Operations Improvement Program

The Contractor shall review the existing and planned facilities at Mohammed V Airport, giving particular consideration to the Grantee's proposed hub at Terminal 1. The Grantee shall make the design drawings and master plan documents available to the Contractor. As part of this task, the Contractor shall review the design drawings, the master plan recently prepared by ONDA for the area, specs, and provide recommendations for improving the operational parameters for the airline. The Contractor shall review the pros and cons of the following: terminal design concept; the method of passenger conveyance on the airside; the terminal curb frontage; key passenger terminal areas including ticketing and baggage check-in counters; passport control; passenger hold rooms; baggage system and claim devices; customs inspection; passenger circulation; concessions and amenities; flight information display systems (FIDS/BIDS); and airline offices.

In addition, the Contractor shall analyze the physical security requirements for the operation of the hub in accordance to ICAO Annex 17 and Transportation Security Administration (TSA) security requirements for direct flights to the US and consider cargo infrastructure needs, including cold storage and other related facilities needed for agricultural exports. The Contractor shall develop recommendations for handicap accessibility taking into consideration new laws and regulations in Morocco, particularly for Terminal 1.

Based on the results of the demand analysis (per Task 2 above), the Contractor shall develop an operations improvement program, providing recommendations for operational modernization and enhancement in accordance with the levels of service in Task 3. This shall include but not be limited to: staffing and equipment needs for baggage and ground handling; passenger check-in; customs and immigration for enplaning and deplaning passengers; aircraft turnaround and flight departure and arrival; and any other areas where the Contractor had identified operational deficiencies.

As part of this task, the Contractor shall determine the staffing and infrastructure requirements for adequate coordination of activities between the Grantee and immigration and custom agents, ONDA and any other entities responsible for aviation and air traffic management in Morocco and which have an impact on RAM's operation at the Casablanca hub.

Task 5: Capital Costs and Investment Requirements

The Contractor shall prepare detailed cost estimates, including engineering costs and capital equipment costs for each item of development or improvement at the Casablanca hub and for each phase of development. The cost estimates shall be based on the results from Tasks 3 and 4 of the study. Based on these cost estimates, the Contractor shall propose a five-year operations improvement program.

The Contractor shall develop a schedule of capital investments, as well as estimated maintenance and operation expenses related to the capital investment program. The Contractor shall provide recommendations regarding potential financing alternatives considering equipment lifespan and payback period. Among others, the Contractor shall assess the feasibility and adequacy of obtaining financing through the Ex-Im Bank, supplier credits and at least three (3) commercial banks.

Task 6: Preliminary Environmental Review Assessment

The Contractor shall prepare a preliminary review of the project's anticipated impact on the environment with reference to local requirements and international agencies (such as the World Bank). This review shall identify potential negative impacts, discuss the extent to which they can be mitigated, and develop plans for a full environmental impact assessment if and when the project moves forward to the implementation stage. This includes the identification of steps that will need to be undertaken by the Grantee subsequent to the study's completion and prior to project implementation. The Contractor shall place particular attention on matters related to contaminating substance management, including airplane waste areas, recycling glycol, jet fuel and diesel and management of disposable materials.

DELIVERABLE #3: OPERATIONS OPTIMIZATION PROGRAM

The Contractor shall prepare an operations optimization Report containing the findings of Tasks 4, 5 and 6 above. The Report shall contain a business plan for the Grantee to adequately implement the recommended operations optimization program and shall encompass all tasks above. The Contractor shall present clear strategies for the Grantee to increase its market share and profitability in the near term by improving operational efficiency.

The Report shall also provide an operations optimization program considering the existing and planned airport infrastructure at Terminal 1 at Mohammed V airport. The program shall include at the minimum the recommendations regarding the following:

- An effective management system for baggage handling and recommendations to reduce the number of baggage irregularities;
- Systems for improvement of ground handling;
- A proposed organizational structure and staffing plan to accommodate operational requirements;
- Equipment and systems needed to enhance operations at the Casablanca hub;
- Possible infrastructure requirements to support forecasted demand;
- A plan for coordination of activities with customs, immigration and ONDA representatives;
- Improvement of flight punctuality, passenger levels of service, and transit passenger accommodation cases;
- An investment and capital cost estimate for program implementation, as well as potential sources of financing and terms for each; and
- The results of environmental review assessment, including recommendations for mitigation of potential impacts.

The Report shall contain a checklist of recommendations to measure the implementation of the business plan and improvements made by the Grantee.

Task 7: Developmental Impact

The Contractor shall report on the potential development impacts of the Project in Morocco. While specific focus should be paid to the immediate impact(s) of the Project, the Contractor will include, where appropriate, any additional developmental benefits of the project, including spin-off and demonstration effects. The Contractor's analysis of potential benefits shall be as concrete and detailed as possible, providing clear measures of each impact. The development impact factors are intended to provide the Project's decision-makers and other interested parties with a broader view of the study's potential effects in Morocco. The Contractor shall provide estimates of the Project' potential benefits in the following areas:

(a) Infrastructure and Industry: The Contractor shall provide a synopsis of the infrastructure built as a result of the study. For this Project, particular attention shall be given to any infrastructure modernization or expansion resulting from the recommendations for Terminal 1 in Casablanca's Mohammed V Airport.

(b) Market 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. Particular emphasis shall be given to any changes resulting from the Grantee's establishment of Terminal 1 at the Casablanca Airport as its regional hub, such as increased levels of service, changes in market shares, increased financial profitability, institutional and organizational changes.

(c) Human Capacity Building: The Contractor shall address the number and type of positions that would be needed to implement, manage, and operate the proposed Project. The Contractor shall also determine the number of people who will receive training and a description of a proposed training program. Given that this study requires recommendations for an improved organizational structure, the Contractor shall estimate the number and type of jobs to be created, as well as any training programs recommended for improving operations, security or levels of service at the airline.

(d) Technology Transfer and Productivity Enhancement: The Contractor shall provide a qualitative and quantitative description of productivity enhancements associated with Project implementation such as increased flight punctuality and reduced number of baggage handling issues. The Contractor shall provide a clear matrix that will allow the Grantee and other stakeholders to measure the success of implementing the operations optimization program in terms of ground and baggage handling, ticketing and levels of service, flight delays and passenger accommodations, etc. The Contractor shall also provide a description of any advanced technologies that would be utilized as a result of this Project.

(e) Other: The Contractor shall identify any other developmental benefits of the Projects, including any spin-off or demonstration effects.

Task 8: Identification of US Suppliers

While aiming at optimum specifications and characteristics for the Project, the Contractor shall make an assessment of the availability of potential U.S. sources of goods and services that may be needed to implement the Project including, but not limited to: security equipment, baggage handling equipment, IT systems, and FIDS/BIDS. The Contractor shall supply business name, points of contact, address, telephone, e-mail, and fax numbers for each source.

Task 9: Final Report and Briefing

At the end of the study, the Contractor shall conduct a one-day briefing in Morocco to present the project findings and conclusions to the Grantee's representative. The briefing shall outline the findings, recommendations and conclusions of the Study and cover the results from each task above.

The Contractor shall prepare and provide and comprehensive Final Report for submission to the Grantee and to USTDA, which shall contain all findings, recommendations, and conclusions of the Study, and shall incorporate all other documents and/or reports provided pursuant to Tasks 1 through 8 above. The Final Report shall be a substantive and comprehensive report of work performed to carry out all of the tasks set forth in the Terms of Reference and shall include, among others, an Executive Summary and all deliverables.

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 Final Report shall be prepared in accordance with Clause H of Annex II of the Grant Agreement. The Final Report shall also include a comprehensive list of suppliers, including potential sources of US equipment and services and clear, quantitative developmental impacts associated with the implementation of the study. One copy in English shall be provided to the US Consulate in Casablanca.

Notes:

(4) **The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.**

(5) **The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.**

(6) **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

COMPANY INFORMATION

A. Company Profile

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), 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 .

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: ______________________