

REQUEST FOR PROPOSALS

**FEASIBILITY STUDY FOR THE
NATIONAL SINGLE WINDOW CUSTOMS PROJECT**

Submission Deadline: **4:00 PM**
LOCAL TIME
February 15th 2011

Submission Place:

Mr. Nguyen Manh Tung
Deputy Director
Customs Modernization and Reform Board
Address: 3rd Floor, Silver Wings Building
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**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.**

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Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$ 716,800 to the Ministry of Finance of The Socialist Republic of Viet Nam acting through General Department of Viet Nam Customs (the "Grantee") in accordance with a grant agreement dated September 15th, 2010, (the "Grant Agreement"). USTDA has provided a grant to the Grantee for a Feasibility Study for the National Single Window Customs Project. 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

The General Department of Viet Nam Customs has requested USTDA feasibility study funding support to identify and recommend how to implement a National Single Window Customs project. In December 2005, the Government of Vietnam agreed to establish and implement a national single window system by 2011, which would help meet the commitment to implement an overall Association of Southeast Asian Nations (ASEAN) Single Window system by 2012. The Vietnam National Single Window project aims to expedite and simplify clearances and information processing and to reduce the cost of trade transactions between Vietnam and its trading partners. Specifically, the single window project will provide one entrance, either physical or electronic, for the submission and handling of all data and documents related to the release and clearance of an international customs transaction. Key benefits of the system for the Vietnamese government include increased revenue yields, trade compliance, consistent application of risk management techniques, and more efficient use of resources. Trade benefits include reduced transaction costs, reduced delays for cargo movement, and predictable application and explanation of trade compliance rules.

The ASEAN single window system would be designed to link the customs processes and trading systems of Southeast Asian countries, and thereby promote secure trade, speed the clearance of cargo shipments and the release of goods by customs authorities in the ASEAN region. In anticipation and support of Vietnam's efforts to implement a National Single Window system, in advance of the regional ASEAN single window system, USTDA has provided feasibility study funding to identify the system requirements associated with the single window solution. Specifically, the study will include a gap analysis, evaluate standardized customs documents and data, identify institutional changes and data models that must be adopted, and outline the implementation plan for project deployment. This USTDA-funded study follows USAID support to help draft Vietnam's National Single Window Master Plan and complement on-going work focused on reforming Vietnam's customs legislation and regulation.

The study results, when implemented by Vietnam Customs, would help develop a single data processing system, customs release, and clearance systems, and enhance government management capacity based on international standards and practice. The selected feasibility study contractor will coordinate its work with the USAID-funded team who continue to provide support to Vietnam Customs focused on legislative and regulatory reform. It is anticipated that these complementary efforts by USTDA and USAID will prepare Vietnam for full deployment

of the ASEAN single window system and could help Vietnam serve as a model for the regional system integration effort.

1.2 OBJECTIVE

The feasibility study would include a data gap analysis; evaluate standardized customs documentation, data, and information; and recommend technical design, specifications and an implementation plan for the national single window project.

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 USD 718,600. **The USTDA grant of USD 718.600 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$718.600 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called The **National Single Window Customs 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 DESK STUDY REPORT

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

2.4 EXAMINATION OF DOCUMENTS

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

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

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

2.5 PROJECT FUNDING SOURCE

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$718,600.

2.6 RESPONSIBILITY FOR COSTS

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

2.7 TAXES

Offerors should submit proposals that note that in accordance with the USTDA Mandatory Contract Clauses, USTDA grant funds shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country.

2.8 CONFIDENTIALITY

The Grantee will preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror, to the extent permitted by the laws of the Host Country.

2.9 ECONOMY OF PROPOSALS

Proposal documents should be prepared simply and economically, providing a comprehensive yet concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

2.10 OFFEROR CERTIFICATIONS

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal; and (d) that it has not sought by collusion to obtain for itself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in Annex 3.

2.12 LANGUAGE OF PROPOSAL

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

2.13 PROPOSAL SUBMISSION REQUIREMENTS

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

Mr. Nguyen Manh Tung,
Deputy Director,
Customs Modernization and Reform Board
Address: 3rd Floor, Silver Wings Building
137A Nguyen Van Cu Street, Long Bien District,
Ha Noi, Viet Nam.
Telephone number: +84 4 22207603 Fax: +84 4 22207600
e-mail: tungnm@customs.gov.vn

An Original and eight (8) copies of your proposal must be received at the above address no later than 4:00 PM (local time), on February 15th 2011.

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\$718,600, 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 requested in sections 3.2.5 and 3.2.6 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.
2. 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 _____. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. 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.
4. 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.
5. 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 \$25,000 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.
6. 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.

3.2.5 Subcontractor Profile

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).

3.2.6 Subcontractor's Representations

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

1. Subcontractor 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 subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the Feasibility Study and to perform the Feasibility Study. The subcontractor 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.
2. Neither the subcontractor 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 subcontractor, 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 subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$25,000 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 subcontractor 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 subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

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:

Criteria, sub-criteria, and point system for the evaluation of Full Technical Proposals are:		<u>Points</u>
(i)	Specific experience of the Consultants relevant to the assignment:	10
(ii)	Adequacy of the proposed methodology and work plan in responding to the Terms of Reference:	
	a) Technical approach and methodology	20
	b) Work plan	7
	c) Organization and staffing	5
	Total points for criterion (ii):	32
(iii)	Key professional staff qualifications and competence for the assignment:	
	a) Team Leader and Single Window Specialist	10
	b) Senior Business Process Analyst	10
	c) Business Process Analyst	5
	d) Senior ICT Specialist	10
	e) ICT Specialist	5
	f) Institutional and legal Specialist	5
	g) Financial and Environmental Analyst	5
	Total points for criterion (iii):	50
<p>The number of points to be assigned to each of the above positions or disciplines shall be determined considering the following three subcriteria and relevant percentage weights:</p>		
	1) General qualifications (general education and training, length of experience, positions held, time with the consulting firm as staff, experience in developing countries)	25%
	2) Adequacy for the assignment (education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment)	70%
	3) Experience in region and language (knowledge of the local language, culture, administrative system, government organization)	5%

	Total weight:	100%
(iv)	Suitability of the transfer of knowledge (training) program:	
	a) Relevance of training program	01
	b) Training approach and methodology	01
	c) Qualifications of experts and trainers	01
	Total points for criterion (iv):	3
(v)	Participation by nationals among proposed key staff	5
	Total points for the five criteria:	100
The minimum technical score S_t required to pass is: 70 points		

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

Price will not be a factor in contractor selection.

ANNEX 1

FEDBIZOPPS ANNOUNCEMENT

MR. NGUYEN MANH TUNG; GENERAL DEPARTMENT OF VIET NAM CUSTOMS; 3RD FLOOR SILVER WINGS BUILDING; 137A NGUYEN VAN CU STREET, LONG BIEN DISTRICT; HANOI, VIET NAM; FAX: +84 4 220 7600.

USTDA ACTIVITY NUMBER 2010-31024: VIETNAM NATIONAL SINGLE WINDOW CUSTOMS PROJECT

POC: Nina Patel, USTDA; 1000 Wilson Boulevard, Suite 1600; Arlington, VA 22209-3901; Tel: (703) 875-4357; Fax: (703) 875-4009. National Single Window Customs Project 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 the National Single Window Customs Project.

The General Department of Viet Nam Customs ("Grantee") has requested USTDA feasibility study funding support to identify and recommend how to implement a National Single Window Customs project. In December 2005, the Government of Vietnam agreed to establish and implement a national single window system by 2011, which would help meet the commitment to implement an overall Association of Southeast Asian Nations (ASEAN) Single Window system by 2012. The Vietnam National Single Window project aims to expedite and simplify clearances and information processing and to reduce the cost of trade transactions between Vietnam and its trading partners. Specifically, the single window project will provide one entrance, either physical or electronic, for the submission and handling of all data and documents related to the release and clearance of an international customs transaction.

Viet Nam Customs seeks a qualified U.S. contractor to conduct a feasibility study, under USTDA's funding, which will identify the system requirements associated with the single window solution. Specifically, the study will include a gap analysis, evaluate standardized customs documents and data, identify institutional changes and data models that must be adopted, and outline the implementation plan for project deployment. This USTDA-funded study follows USAID support to help draft Vietnam's National Single Window Master Plan and complement on-going work focused on reforming Vietnam's customs legislation and regulation. The selected feasibility study contractor will coordinate its work with the USAID-funded team who continue to provide support to Vietnam Customs focused on legislative and regulatory reform. The U.S. firm selected will be paid in U.S. dollars from a \$718,600 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background 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/businessopps/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 **4:00 PM Local Time, on February 15th 2011**, 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.

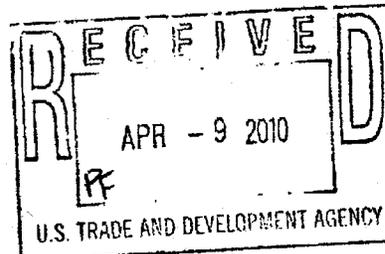
ANNEX 2

BACKGROUND DESK STUDY REPORT

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**FEASIBILITY STUDY FOR FEASIBILITY STUDY FOR ESTABLISHING AND IMPLEMENTING
VIETNAM NATIONAL SINGLE WINDOW AND ASEAN SINGLE WINDOW**

FINAL REPORT



Submitted To:

**U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, VA 22209
Telephone: (703) 875-4357**

4 Copies final Report

*CC: DR GT PD DP
HS JW MC TO*

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April, 2010



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The U.S. Trade and Development Agency

The U.S. Trade and Development Agency (USTDA) advances economic development and U.S. commercial interests in developing and middle income countries. The agency funds various forms of technical assistance, feasibility studies, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment.

USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. Operating at the nexus of foreign policy and commerce, USTDA is uniquely positioned to work with U.S. firms and host countries in achieving the agency's trade and development goals. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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1.0 EXECUTIVE SUMMARY

In 2009, the Vietnam Customs (VTC) has prepared and submitted an unsolicited proposal to the United States Trade and Development Agency (USTDA) to fund the Technical Assistance for the adoption and implementation of the National Single Window System (NSWS) for Vietnam. The Technical Assistance would review the current Vietnam Customs document processes, propose standard procedures, review the current information technology system operations, recommend technology improvements, and assist in establishing the single window system operation and infrastructure.

In response to the VTC, USTDA has retained the services of the Interdisciplinary Research Consultants-US (IaRC-US) to undertake a desk study to develop an appropriate scope of work and accompanying budget that meets the objectives of Vietnam's needs.

USAID has supported Vietnam Customs in this effort most recently, providing a high level overview of the Vietnam National single window, how it work, and what will it do. Further, it contains high-level business processes, data flow, and user functional requirements providing a road map assessment of the steps needed to move towards improving trade and customs processing.

Single Window system has become an integral need for Vietnam as it has one of south-east Asia's fastest-growing economies and has set its sights on becoming a developed nation by 2020. Among other things, one of the reasons that the adoption of the Single Window system has become a priority for Vietnam, is because Vietnam Customs presently controls an increasing volume of export and import commodities as well as entry and exist means of transportation. Thus, the current Viet Nam national import and export systems are inadequate to support trade agencies in executing their missions and regulatory and enforcement responsibilities and to facilitate business in the country involved in international trade.

As a member of the Association of Southeast Asian Nations (ASEAN), the Government of Viet Nam has committed to establish a Viet Nam National Single Window (VNSW) by 2011 and integrate the ASEAN Single Window (ASW) by 2012. Since then, the Vietnam Government has established the VNSW Steering Committee in the period of 2008-2012. The membership of VNSW Steering Committee is composed of high-level representatives from 12 line ministries and the trade community (Vietnam Chamber of Commerce and Industry). The Steering Committee has also established Working Groups, including Legal and Technical ones of experts from 12 related ministries. In which, Vietnam Customs is designated as the Stand-by Bureau, coordinating activities of other government agencies for the purpose of the VNSW.

Of the export potential, significant market share can be achieved by US companies given the advanced information technology and network sector. It should be mentioned, however, that competition from East Asian as well as Western European and other manufactures is increasingly intense. Yet, the demand will be large enough to open significant opportunities for US manufacturers provided they implement marketing strategies.

The IaRC-US reviewed the available literature and project information, communicated with the various stakeholders, as well as communicated with potential financiers for the project, and potential US providers. Based on such review and given the current lengthy processes related to cross border trade in Viet Nam, the IaRC-US team concluded that the application made by Viet Nam Customs is technically sound, and has tremendous benefits.

2.0 DESK STUDY BACKGROUND

In 2009 USTDA received a request for funding from General Department of Vietnam Customs (Vietnam Customs) for technical assistance to be conducted by a U.S. firm on their efforts to adopt a National Single Window system. In support of that request, USTDA has received a detailed proposal from Vietnam Customs summarizing the work effort they intend to undertake for system implementation.

Vietnam Customs intends to establish a customs operating platform that will increase efficiency and decrease costs for companies who must deal with multiple government authorities to move traded goods in and out of Vietnam. Vietnam Customs has specifically requested USTDA funding for technical assistance to review their current customs document processes, propose standard procedures, review current information technology system operations, recommend technology improvements and assist in establishing the single window system operation and infrastructure. As a member of the Association of Southeast Asian Nations (ASEAN), Vietnam has agreed to implement its National Single Window system by 2012 with the goal to join an ASEAN Single Window System (ASW) by 2015. USAID has supported Vietnam Customs in this effort, most recently providing a road map assessment of the steps needed to move towards improving trade and customs processing. In response, Vietnam Customs has begun preparations for a National Single Window Master Plan. The U.S. Embassy in Hanoi has requested USTDA support for this technical assistance which will help Vietnam Customs to prioritize project needs while simultaneously introducing U.S. companies to the opportunity to participate in the project.

In response, USTDA has retained the services of the Interdisciplinary Research Consultants-US (IdRC-US) to undertake a desk study to develop an appropriate scope of work and accompanying budget that meets the objectives of Vietnam's needs. It was envisioned that the USTDA-funded technical assistance would be competed and that a number of U.S. companies, who have met with U.S. Embassy and Vietnam Customs, would benefit from the technical assistance effort.

As part of their application, Vietnam Customs provided a summary document as well as a list of activities that must be undertaken to implement the National Single Window system. The project aims to execute The Protocol and Agreement to establish and implement ASEAN Single Window and Vietnam National Single Window (ASW and VNSW). The mission of the VNSW would be to facilitate trade and help enforce compliance and to further integrate Viet Nam's trading community into ASEAN, including through the ASW, as well as the broader global trading community; ensure national security and community's health; enhance Government management capacity based on international standards and practice to develop an integrated system which enables:

- A single submission of data and information;
- A single and synchronous processing of data and information; and
- A single decision-making for customs release and clearance.

The Vietnam National Single Window is in the process of preparing necessary resources for establishing and implementing Single Window. The project is envisioned to include the following components:

1. Data Standardization and Harmonization;
2. Documentation and Information requirement Standardization and Harmonization;
3. Legal infrastructure and co-operation mechanism;
4. Information Technology system and Infrastructure;
5. Training and communication;
6. Implementary effectiveness evaluation and analysis.

The Vietnamese Government has made international commitments that Single Window controls will be progressively implemented, with ASEAN-compatible controls being in place by 2012.

3.0 BACKGROUND ON INTERNATIONAL TRADE ENVIRONMENT IN VIET NAM

The regulation and monitoring of international transportation and trade in Viet Nam spans over many trade agencies, and includes the preparation and submission of hundreds of forms. Moreover, a dynamic and rapidly changing operational environment further complicates the process.

When importing or exporting, traders in Viet Nam are required to submit information to the export and import governments' trade agencies in order for agencies to determine the duty, assess the safety and compliance of a vessel or conveyance. Traders are also required to provide information to each government and agency using numerous and different information systems, a myriad of approved forms, or a combination of both. Even the most uncomplicated trading transaction requires the cooperation of numerous agencies and the completion of several different forms. Much of the information presented to the governments and various trade agencies is redundant; it is the same information being collected through different channels.

In terms of information systems, the current environment is that traders must submit department-specific messages and data, using different technology platforms and different forms. The existing Viet Nam Customs (VNC) automated processing systems of declaration via the Internet or E-customs are clearly customs-centric, not multiple agency Single Window. There are government departments that all have automated systems, but none of these are connected. For example, the Department of Industry and Trade has developed an Electronic Certificate of Origin, but this is not linked to the VNC IT system. There are even relevant governmental agencies which are totally paper-based with no information systems.

As part of its desire to facilitate the movement of goods at their borders, and to help Vietnam integrate into the global supply chain, the Government of Viet Nam signed an Agreement to Establish and Implement the ASEAN Single Window, in December 2005 in Kuala Lumpur. Article 5 of the agreement states that "*Member Countries shall develop and implement their National Single Windows in a timely manner for the establishment of the ASEAN Single Window*". Member countries Brunei Darussalam, Indonesia, Malaysia, Philippines, Thailand and Singapore were to operationalize their National Single Windows by 2008, at the latest, while Cambodia, Lao PDR, Myanmar, and Viet Nam are to operationalize their National Single Windows no later than 2012. As such, the Government of Viet Nam is committed to establish a Viet Nam National Single Window by 2011 and integrate the ASEAN Single Window (ASW) by 2012.

The key VNG entity entrusted with the implementation of the national and ASEAN single window is Vietnam Customs. Given its limited technical capacity and financial capability, Vietnam Customs has requested financial assistance from USTDA to fund a feasibility study for "Establishing and Implementing Vietnam National Single Window and ASEAN Single Window" project. The project aims to execute The Protocol and Agreement to establish and implement ASEAN Single Window and Vietnam National Single Window (ASW and VNSW). The mission of the VNSW is to facilitate trade and help enforce compliance and to further integrate Viet Nam's trading community into ASEAN, including through the ASW, as well as the broader global trading community; ensure national security and community's health; enhance Government management capacity based on international standards and practice to develop an integrated system which enables single submission of data and information; single and synchronous processing of data and information; and single decision-making for customs release and clearance.

4.0 PROJECT RATIONALE AND CONCEPT

The study proposed for USTDA funding will assist the VNG implement its National Single Window to meet the requirements of ASEAN Single Window agreement. The Agreement defines regional Single Window as an environment allowing for the operation and integration of the national Single Windows of the ASEAN member countries.

There are no two identical Single Windows in the world; therefore, each country determined to implement the Single Window should create and implement the project in the way that will respond most efficiently to its needs, conditions, and possibilities. However, there are characteristics and conditions that are common for this process in general, regardless of where it is implemented. The most important ones are the existence of strong political will, identification of a leading institution for the implementation of the project, cooperation and consultations between the public and private sectors, previously implemented harmonization and simplification of trade procedures and trade data, and implementation that follows previously determined stages and steps.

As far as twenty years ago, the importance of goods' movement efficiency and the need of procedures simplification gave rise to the first initiatives towards development of a system that would enable an all-inclusive approach to the problem. As a result, in September 2004, the UNECE Working Group for International Trade Procedures adopted Recommendation No. 33, recommending governments and traders to establish a Single Window import-export system.

According to the Recommendation No.33, the characteristics of the Single Window concept can be summarized as follows:

- Documents are lodged in one entry point. This condition enables a considerable simplification and shortening of the procedure. Traders/transporters do not waste their time racing through the labyrinths of the state administration.
- If in electronic form, documents need to be lodged only once, thus, simplifying the processes of information transfer. On the other hand, and given that the Single Window system does not require compulsory electronic environment, its application leads to simplification, even when documents are lodged in paper form. Nevertheless, the use of more sophisticated ways of information transfer and processing make the procedure considerably faster and cheaper.
- Documents/information are distributed to the appropriate state institutions by the system. Once they enter the system, they are being forwarded to all relevant competent bodies for processing and then follow the same route back to the applicant.
- The system coordinates all procedures and activities in the physical inspection of the goods. The aim of the coordination is to ensure that when more than one body needs to carry out inspection it is done at the same time and with one opening of the shipment.

Vietnam's economy is rapidly opening to the larger world. As Vietnam becomes more fully integrated and committed to the long-term objective of global economic integration, the need for just in time high-value goods increases, as does the volume of express packages destined to customers and individuals in country.

According to the IFC's Doing Business 2009, Viet Nam ranked 67 out of the 181 countries in the world trading across borders, much lower than other countries in the region like Singapore, which ranked first, Thailand which came in 10, and Malaysia which ranked 29. As a result, a significant attention is paid on improving of country border capacity in accordance with up-to-date requirements by implementing a National Single Window System.

The proposed Single Window will benefit the Vietnamese Government and citizens of Vietnam. Vietnam will facilitate trade and increase customs revenue collection, improve the production of foreign trade statistics and enhance the effectiveness and accountability of the customs administration in addition to the direct and positive developmental impact on the overall security and reliability of trade activities as a whole. The project will enhance Vietnam Custom's reputation as an efficient and effective trade participant, as it will reduce processing times and removes barriers to trade by further integrate Vietnam's trading community into ASEAN. Tax industry would also benefit from the change since they could collect more from faster customs procedures.

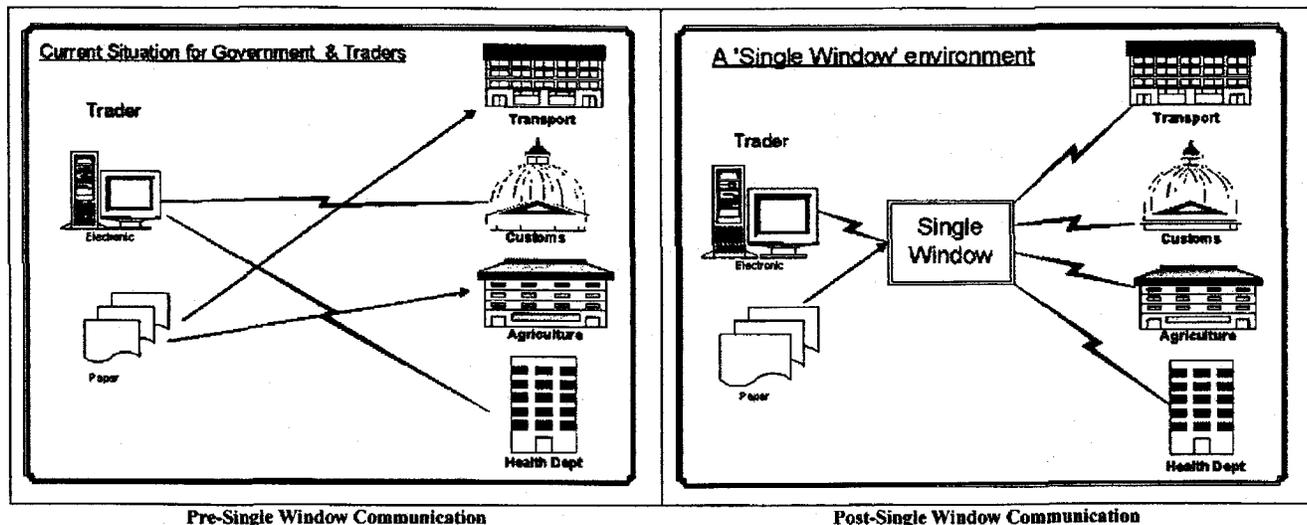
4.1 International Best Practices

Single Window can be defined as *"a facility that allows parties in trade and transport to lodge standardized information and documents with a single entry point to fulfill all imports, export and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once"*. The Single Window guarantees efficient trading and efficient governmental controls of trade flows, as well as improved governance and fewer opportunities for corruption. By using a Single Window facility for their transactions, actors in international trade can file all the required information in one place, at one time and in a standard format.

The United Nations "recommendations" and standards form the basis for developing Single Window systems. The concept is gradually taking root in the transition economies of developing countries. The value of a single entry point - or 'Single Window' - for traders to submit information to governments so as to fulfill import- or export-related regulatory requirements has taken on increased importance in the new security environment and emphasis on advance information and risk analysis. The efficiency with which information can be submitted to official agencies is becoming a key factor in the competitiveness of firms or agencies involved with cross-border activities.

On a daily basis, international traders have to prepare and submit increasing amounts of information to various governmental controlling authorities, with each authority often having its own specific (automated) systems and paper forms. These extensive information requirements can become a significant obstacle to business and can hinder the development of international trade. With the increasing integration of economies around the world, facilitating the smooth flow of information becomes a pressing requirement of Governments and business. Efficient information systems and procedures can significantly increase the speed at which goods can move, reduce costs, improve business efficiency, and enhance the overall economic performance of a country.

The 'Single Window' environment aims to expedite and simplify information flows between trade and government and bring meaningful gains to all parties involved in cross-border trade. In practical terms a 'Single Window' environment provides one 'entrance', *either physical or electronic*, for the submission and handling of all data, and documents related to the release and clearance of an international transaction. This 'entrance' is managed by one agency, which informs the appropriate agencies, and/or directs combined controls.



Pre-Single Window Communication

Post-Single Window Communication

A 'Single Window' environment is, therefore, a practical application of trade facilitation concepts to reduce non-tariff trade barriers and deliver immediate benefits to all members of the trading community. Key benefits to governments and traders as a result of implementing single window programs include

Benefits for government

- Correct revenue yields
- Improved trader compliance
- Enable the use of sophisticated 'risk management' techniques for control and enforcement purposes
- More effective and efficient deployment of resources

Benefits for Trade

- Cutting costs through reducing delays
- Faster clearance and release
- Predictable application and explanation of rules
- More effective and efficient deployment of resources

In order to implement a 'Single Window' environment, Governments must first simplify and enhance the flow of information related to international trade. To this end, they should coordinate and minimize legal data requirements related to trade. Once official and commercial information requirements have been rationalized, these data sets can be standardized and subsequently harmonized to the benefit of the trading community. Governments can further enhance information flows by identifying and adopting suitable information and communication technologies (ICT). Combined with the development of simpler, standardized and harmonized information, the effective application of ICT can help maximize the data flows, resulting in faster, easier and lower cost international trading.

In practice, a 'Single Window' can take various forms. While not just limited to custom's regimes, the 'Single Window' environment must represent a close cooperation between all involved departments and/or authorities. Customs, because of its pivotal role at borders, can be the enforcement agency best suited as the 'entrance' point to receive and coordinate the flow of information related to fulfillment of all cross-border regulatory requirements.

A 'Single Window' environment does not necessarily imply the implementation of high-tech information and communication technology (ICT). However, facilitation can be enhanced if Governments identify and adopt relevant ICT opportunities. Over the last few years various 'Single Window' programs have been developed and effectively introduced. A selection of these models is outlined below:

A single authority: Customs co-ordinates and/or enforces all border-related controls. For example, in Sweden and the Netherlands, Customs Officers perform many tasks based on assignments from other governmental authorities.

A single system, integrating the electronic collection, use, and dissemination of international trade data related to trade that crosses the border. For example, the United States established a pilot program that allows traders to submit standard data only once and the system distributes the data to the agencies that have an interest in the transaction.

An automated system through which a trader can submit electronic trade declarations to the various (control-ling) authorities for processing and approval in a single application. In this approach the approved permits are transmitted electronically to the sender's computer. Such a system is in use in Singapore and Mauritius. Moreover, in the Singaporean system, fees, taxes and duties are computed automatically and deducted from the traders' bank accounts.

4.2 DS Objectives and Structure

Terms of Reference for the DS included the following tasks.

- Review the available documentation relevant to the project;
- Discuss with the USAID and Viet Nam Customs the need for proposed single window system;
- Review the technical and financial application made by Viet Nam Customs;
- Assess the need for USTDA funding of the proposed technical assistance;
- Evaluate the appropriateness of the additional USTDA grant assistance for the proposed project in light of the following qualification criteria:
 - Is the project a national development priority;
 - Does the project offer significant export potential to U.S. manufacturers and/or service establishments when implemented;
 - Does or will the project's sponsor have adequate equity or access to borrowed funds to finance the project when implemented; and
 - Is there significant foreign competition that can be effectively counter-balanced by USTDA assistance.
- Address other relevant issues and recommend specific courses of action for USTDA's consideration, including, if recommended, the scope of work and budget for the feasibility study.

This Desk Study Report is based on IzRC-US's review of the available literature, phone interviews with relevant stakeholders, as well as communications with U.S. manufacturers and service providers. The report addresses all issues set forth in the Mission's Terms of Reference and it is presented in a format that conforms to USTDA's general guidelines for DS Reports.

The following activities were taken into consideration while preparing the scope of work.

- Research, review and assess the existing documents, process and information requirements for import, export, transit goods, and equipment and conveyance management of related line ministries.
- Propose standardization of information and documents and develop standard processes for import, export, transit goods, equipment and conveyance management of related line ministries.
- Simplify and harmonize documents, processes and information requirements for import, export, transit goods, equipment and conveyance.
- Review and assess the existing information systems of line ministries and other stakeholders requirements for import, export, transit goods, equipment and conveyance.

- Establish technology infrastructure and model.
- Establish technology system.
- Legal activities and implementary mechanism are developed to secure successful establishment and operation of the NSW to accommodate the international commitments and other regulatory in Vietnam legal system.

The following activities should be considered:

- Review and assess the existing legislation of Vietnam based on requirements of legal framework to establish and implement the NSW.
- Carry out gap analysis.
- Activities of communication and training aim to support the successful implementation of the Single Window project, through ensuring all related stakeholders are appropriately involved, informed and engaged. Thanks to communication and training, NSW and ASW managers, executives, users and operators are provided with necessary knowledge and skills.

5.0 MAIN CONCLUSIONS

The IdRC-US reviewed the available literature and project information, communicated with the various stakeholders, as well as communicated with potential financiers for the project, and potential US providers. Based on such review and given the current lengthy processes related to cross border trade in Viet Nam, the IdRC-US team concluded that the application made by Viet Nam Customs is technically sound, and has tremendous benefits. The following summarizes the key current obstacles and issues that justify the recommendation of the IdRC-US Team:

- The proposed VNSW will be conceived as an integrated, national system for the electronic collection, use and dissemination of international trade data at minimum burden and cost to the governments, private business, and the public.
- Currently, when importing or exporting to/from Viet Nam, traders are required to submit information to the export and import governments' trade agencies in order for agencies to determine the duty, assess the safety and compliance of a vessel or conveyance, and so on. Traders are required to provide information to each government and agency using numerous and different information systems, a myriad of approved forms, or a combination of both. Even the most uncomplicated trading transaction requires the cooperation of numerous agencies and the completion of several different forms. Much of the information presented to the governments and various trade agencies is redundant; it is the same information being collected through different channels.
- The current environment in Viet Nam is that traders must submit department-specific messages and data, using different technology platforms and different forms. The existing VNC automated processing systems of declaration via the Internet or E-customs are clearly customs-centric, not multiple agency Single Window. One must take into account that traders are also submitting information to trade agencies in Viet Nam. Here are government departments that have automated systems, but none of these are connected. For example, the Department of Industry and Trade has developed an Electronic Certificate of Origin, but this is not linked to the VNC IT system.
- Currently, there are relevant Viet Nam government departments which are totally paper-based with no information systems. The proposed VNSW will help operate in an electronic environment while supporting a streamlined paper-based environment, and eventually migrating to a fully electronic system.
- For those departments that do not have an automated international trade processing system, the proposed VNSW will help provide the department with the capability to process the data within the VNSW using an integrated model.
- The VNSW is conceived as a solution to the current trade processing environment. It represents a new strategy for expediting trade and improving regulatory enforcement in a seamless environment.

Given the above aspects related to international trade, and given the anticipated impact of implementing a NSW, the IdRC-US Team sees the project as a technically viable one that is worthy of USTDA consideration for funding. Additional factors to reach a recommendation on funding are addressed in the following sections.

6.2 Implementation Timeline

The anticipated time duration to complete the study is ten months as shown in Appendix D.

6.3 Estimated Budget

The total estimated budget for project is as shown in Table 1 below.

TOR Task and Name	Position	Person Days		Daily Rate	Total Cost
		Home	Field		
Task 1: Project Start-Up and Kick-off Workshop	Team Leader/MIS and SW Specialist	2	2	\$1,500	\$6,000
	Customs Specialist	1	1	\$1,300	\$2,600
	Transport Logistics Specialist	1	1	\$1,300	\$2,600
	Senior Financial Analyst	1	1	\$1,250	\$2,500
	Institutional Specialist	1	1	\$1,250	\$2,500
	Environmental Specialist	0	0	\$1,000	\$0
	Sub-Total	6	6		\$ 16,200.0
Task 2: Existing Conditions and Procedures	Team Leader/MIS and SW Specialist	5	17	\$1,500	\$33,000
	Customs Specialist	5	15	\$1,300	\$26,000
	Transport Logistics Specialist	2	10	\$1,300	\$15,600
	Senior Financial Analyst	2	5	\$1,250	\$8,750
	Institutional Specialist	2	10	\$1,250	\$15,000
	Environmental Specialist	0	0	\$1,000	\$0
	Sub-Total	16	57		\$ 98,350.0
Task 3: Consultations with Stakeholders	Team Leader/MIS and SW Specialist	0	3	\$1,500	\$4,500
	Customs Specialist	0	2	\$1,300	\$2,600
	Transport Logistics Specialist	0	2	\$1,300	\$2,600
	Senior Financial Analyst	0	2	\$1,250	\$2,500
	Institutional Specialist	0	2	\$1,250	\$2,500
	Environmental Specialist	0	0	\$1,000	\$0
	Sub-Total	0	11		\$ 14,700.0
Task 4: Document, Data and Information Standardization	Team Leader/MIS and SW Specialist	15	5	\$1,500	\$30,000
	Customs Specialist	12	0	\$1,300	\$15,600
	Transport Logistics Specialist	12	0	\$1,300	\$15,600
	Senior Financial Analyst	5	0	\$1,250	\$6,250
	Institutional Specialist	7	0	\$1,250	\$8,750
	Environmental Specialist	0	0	\$1,000	\$0

		Sub-Total	51	5		\$ 76,200.0
Task 5: Proposals for Data Models and DFDs	Team Leader/MIS and SW Specialist	15		5	\$1,500	\$30,000
	Customs Specialist	12		0	\$1,300	\$15,600
	Transport Logistics Specialist	12		0	\$1,300	\$15,600
	Senior Financial Analyst	5		0	\$1,250	\$6,250
	Institutional Specialist	7		0	\$1,250	\$8,750
	Environmental Specialist	0		0	\$1,000	\$0
		Sub-Total		51	5	
Task 6: Technology Infrastructure Requirements	Team Leader/MIS and SW Specialist	14		5	\$1,500	\$28,500
	Customs Specialist	7		0	\$1,300	\$9,100
	Transport Logistics Specialist	7		0	\$1,300	\$9,100
	Senior Financial Analyst	5		0	\$1,250	\$6,250
	Institutional Specialist	7		0	\$1,250	\$8,750
	Environmental Specialist	0		0	\$1,000	\$0
		Sub-Total		40	5	
Task 7: Legal Review	Team Leader/MIS and SW Specialist	2		0	\$1,500	\$3,000
	Customs Specialist	0		0	\$1,300	\$0
	Transport Logistics Specialist	0		0	\$1,300	\$0
	Senior Financial Analyst	0		0	\$1,250	\$0
	Institutional Specialist	3		0	\$1,250	\$3,750
	Environmental Specialist	0		0	\$1,000	\$0
		Sub-Total		5	0	
Task 8: Institutional Arrangements	Team Leader/MIS and SW Specialist	3		0	\$1,500	\$4,500
	Customs Specialist	2		0	\$1,300	\$2,600
	Transport Logistics Specialist	0		0	\$1,300	\$0
	Senior Financial Analyst	2		0	\$1,250	\$2,500
	Institutional Specialist	12		10	\$1,250	\$27,500
	Environmental Specialist	0		0	\$1,000	\$0
		Sub-Total		19	10	
Task 9: Financial and Technical Analysis	Team Leader/MIS and SW Specialist	2		0	\$1,500	\$3,000
	Customs Specialist	2		0	\$1,300	\$2,600
	Transport Logistics Specialist	2		0	\$1,300	\$2,600
	Senior Financial Analyst	14		0	\$1,250	\$17,500
	Institutional Specialist	2		0	\$1,250	\$2,500
	Environmental Specialist	0		0	\$1,000	\$0
		Sub-Total		22	0	
Task 10: Environmental and Social Analysis	Team Leader/MIS and SW Specialist	0		0	\$1,500	\$0
	Customs Specialist	0		0	\$1,300	\$0
	Transport Logistics Specialist	0		0	\$1,300	\$0
	Senior Financial Analyst	0		0	\$1,250	\$0
	Institutional Specialist	0		0	\$1,250	\$0
	Environmental Specialist	3		0	\$1,000	\$3,000
		Sub-Total		3	0	
Task 11: Technical specifications for the VNSW	Team Leader/MIS and SW Specialist	15		10	\$1,500	\$37,500
	Customs Specialist	10		0	\$1,300	\$13,000
	Transport Logistics Specialist	10		0	\$1,300	\$13,000
	Senior Financial Analyst	10		0	\$1,250	\$12,500
	Institutional Specialist	10		0	\$1,250	\$12,500
	Environmental Specialist	0		0	\$1,000	\$0
		Sub-Total		55	10	
Task 12: Host Country Development Impacts	Team Leader/MIS and SW Specialist	5		0	\$1,500	\$7,500

	Customs Specialist	0	0	\$1,300	\$0
	Transport Logistics Specialist	0	0	\$1,300	\$0
	Senior Financial Analyst	0	0	\$1,250	\$0
	Institutional Specialist	0	0	\$1,250	\$0
	Environmental Specialist	0	0	\$1,000	\$0
	Sub-Total	0	0		\$ 7,500.0
Task 13: Final Report	Team Leader/MIS and SW Specialist	7	0	\$1,500	\$10,500
	Customs Specialist	2	0	\$1,300	\$2,600
	Transport Logistics Specialist	2	0	\$1,300	\$2,600
	Senior Financial Analyst	2	0	\$1,250	\$2,500
	Institutional Specialist	2	0	\$1,250	\$2,500
	Environmental Specialist	1	0	\$1,000	\$1,000
	Sub-Total	16	0		\$ 21,700.0
TOTAL DIRECT LABOR COSTS		289	109		\$ 536,100.0
Total Direct Labor Breakdown	Tasks	Home	Field	Daily Rate	Total Cost
Team Leader/MIS and SW Specialist		85	47	\$1,500	\$ 198,000.0
Customs Specialist		53	18	\$1,300	\$ 92,300.0
Transport Logistics Specialist		48	13	\$1,300	\$ 79,300.0
Senior Financial Analyst		46	8	\$1,250	\$ 67,500.0
Institutional Specialist		53	23	\$1,250	\$ 95,000.0
Environmental Specialist		4	0	\$1,000	\$ 4,000.0
Total		289	109		\$536,100
OTHER DIRECT COSTS:					
Purchased Services / Contracts	Tasks	Person-days		Daily Rate*	Total Cost
Local Systems Engineer		65		\$400	\$26,000
Local Customs Specialist		50		\$350	\$17,500
Data Loggers		100		\$120	\$12,000
Local Institutional Specialist		50		\$350	\$17,500
Total Purchased Services / Contracts					\$73,000
Travel Expenses	Unit	Number		Unit Cost	Total Cost
International Travel	Round Trips	10		\$3,000	\$30,000
Ground Transport To/From Airport	Round Trips	40		\$50	\$2,000
Total Travel					\$32,000
Per Diem	Unit	Number		Unit Cost	Total Cost
Per Diem-Int'l Consultants	Days	109		\$300	\$32,700
Per diem-Local Team	Days	50		\$200	\$10,000
Total Per Diem					\$42,700
Other Costs	Unit	Number		Unit Cost	Total Cost
Local Transport	Months	6		\$1,500	\$9,000
Reproduction, Binding, and Translation	Lump Sum Estimate				\$10,000
Courier Services	Lump Sum Estimate				\$3,000
Communications	Months	4.5		\$650	\$2,925
Project Office Operations	Months	3.5		\$1,500	\$5,250
MedEx Insurance	10-day increments	10		\$58	\$580
DBA Insurance	Estimate				\$4,000
Total Other Costs					\$34,755
TOTAL OTHER DIRECT COSTS					\$182,455
TOTAL BUDGET					\$718,555

6.4 Grantee Level of Commitment and Grantee Contact Info

Viet Nam has signed the agreement to establish and implement the ASEAN Single Window in Kuala Lumpur in December 2005. The Government of Viet Nam has committed to establish a Viet Nam National Single Window (VNSW) by 2011 and integrate the ASEAN Single Window (ASW) by 2012. Since then, the Vietnam Government has established the VNSW Steering Committee in the period of 2008-2012. The membership of VNSW Steering Committee is composed of high-level representatives from 12 line ministries and the trade community (Vietnam Chamber of Commerce and Industry). The Steering Committee has also established Working Groups, including Legal and Technical ones of experts from 12 related ministries. In which, Vietnam Customs is designated as the Stand-by Bureau, coordinating activities of other government agencies for the purpose of the VNSW. The Government is highly committed to implementing this project

6.5 Implementation Financing

While it appears that due to its nature, the Single Window should be developed using exclusively public funds and resources, practice shows that it is not necessarily so. Single Window programs could be developed in partnership with the private sector or through a fully private implementation (through concession). Other ways where SW programs could be implemented include profit or not for profit and Pure Cost recovery or subsidized operation or a mix of both (user fees per operation, annual charges, etc.)

The choice of the model must be based primarily on a detailed assessment of the resources available to the country (whether it can bear the financial burden of the system's introduction), an analysis of the possibilities for the system maintenance and upgrading, and of the legal framework (whether and under what conditions it can allow private entities to be included in the entire process). Depending on what approach the GoVN eventually adopts, non donor financing could be an option for implementation.

USAID has been supportive of the VNSW initiative and is providing support to the current stages of its implementation. It has funded the Vietnam Competitiveness Initiative which is supporting the Prime Minister's Office to simplify administrative procedures across all ministries and provinces (known as "Project 30"). A key part of the project focuses on customs. Furthermore, USAID has committed to support the activities related to the legislative aspects of the VNSW assessment phase. Given such involvement, it is believed that USAID may support the implementation of the initiative itself once the assessments studies are completed in addition to finance a good portion of the project activities.

Recent commitments from organizations including the World Bank (WB) and the Japan International Cooperation Agency (JICA) have provided Viet Nam Customs with loans in excess of \$77 million to fund modernization programs. Moreover, the International Finance Corporation's strategic priorities in Vietnam focus on a number of issues including strengthening the investment climate, promoting private participation in infrastructure and privatization. The IFC will continue to support viable private sector investments in Vietnam, with strong demonstration and mobilization effects. Given the above, it is believed that such lending agencies would also consider funding the implementation of the VNSW.

6.6 U.S. EXPORT POTENTIAL AND FOREIGN COMPETITION

In addition to management consultancy components, the project mainly consists of providing electronic and communication equipment. These equipment are readily available from U.S. sources. The Single Window System requires backup services, disaster management, networks and communications, outsourcing, data centre services, and internet services with land-line connection and wireless transmission of data. Several U.S. companies can provide the necessary hardware and develop software.

Once the fundamental plan for this project is completed, a detailed breakdown of items that the US could export can be made available. It would then be possible to quantify the categories of NSW products and services that could be exported from the U.S. Currently the following categories of U.S. products and services are most likely to be required for this project.

IT equipments	Servers PCs Desktop PCs Portable PCs Printers Multifunction Printers Copiers Monitors Other IT equipment
Software	Operating systems Database management system Network operating system Content management software Systems development software Database interfaces Message switching and handling software
IT services	Hardware maintenance Project services Outsourcing services
Communication equipments	LAN routers and switches WAN data routers and switches Wireline access infrastructure Secure VPN Secure Internet Secure wireless technology

The cost of implementing a Single Window solution is often underestimated as there are many elements to consider such as:

- Network operation costs
- Hardware/software operation costs
- Operational support
- Continuous software development
- Research and Development
- Training
- Change Management
- Additional requirements

It is important to remember that recurring costs can be substantial. Recurring costs have to be managed to ensure the sustainability of the solution. One can therefore not limit oneself to calculating the implementation cost only as the system will not be sustainable.

A rough estimate of a NSW is as follows:

- **CAPEX for Design & Development Costs: \$15M to \$20M**
- **OPEX: \$2M per annum including operation, O&M, network support, ongoing training, etc.**

The following table presents a breakdown of estimated goods and services for the VNSW project as well as potential U.S. exports.

Item	Estimated Cost	Expected US Share	US Share
Initial Consulting Services	5,000,000	50%	2,500,000
IT Services	8,000,000	60%	4,800,000
VC Modernization Hardware	12,000,000	30%	4,000,000
Estimated Total	\$20,000,000		\$11,300,000

U.S. companies with an interest in the various categories of work include large systems integrators such as Unisys and IBM, hardware vendors such as Sun Microsystems (Oracle), Cisco Systems and smaller firms such as L3 Communications for scanners. Other specialized firms working in customs modernization such as Sandler Travis could also be associated with larger firms bidding for the overall project.

Foreign competition in East Asia is increasingly intense. Competition includes traditional Western European competitors from Germany, France, Italy and the U.K. (in particular "Crown Agents" from the U.K.) Competition also stems from Australia, which has an excellent reputation for having an efficient and automated customs administration. Indian firms are also active selling systems integration capabilities in the area, and Hong Kong and Singapore both have strong systems integration capabilities, in the form of both indigenous firms and subsidiaries of overseas companies.

6.7 Impact on the Environment

Given the nature of the project which involves implementation of IT networking facilities that do not include foreseeable requirement for civil works or similar activities which could affect the environment, the proposed Project has no foreseeable negative environment-related impacts.

However, the use of an environment friendly techniques and Green IT technologies can contribute to the reduction of carbon footprint, level of waste, and pollution through practices such as PC power management, server virtualization, recycling, terminal servers, and power management techniques. Such techniques also strives to achieve economic viability and improved system performance and use which lead to environmental sustainability, economics of energy efficiency, and the total cost of ownership, which includes the cost of disposal and recycling.

6.8 Impact on U.S. Labor

In regard to concerns on the impacts of U.S. labor, support for the implementation of NSW is not expected to result in the relocation of U.S. jobs overseas. On the contrary, the equipment, systems, and services required for the operation of the proposed system could be supplied by U.S. manufacturers, which will generate additional employment in the U.S.

6.9 Development Impact and Justification

The NSW Program will have direct and positive developmental impact on the services of GDVC, on the overall security and reliability of trade activities and on the cross border trade as a whole. The program will enhance Vietnam Custom's reputation as an efficient and effective trade participant, as it will reduce processing times and removes barriers to trade. Developmental impacts can be summarized in the following categories:

Infrastructure

The implementation and deployment of the NSW will provide measurable improvements in the Viet Nameese cross border trade. This will provide Customs with the ability to eliminate the need for needless inspections and will enable limited resources to concentrate on non-authorized operators. In doing so, Customs will enhance the overall security of ports of entry and Customs houses and the safety of the staff within these facilities.

Market-Oriented Reform

Implementing the NSW will reduce barriers to trade, demonstrating to both importers and exporters a renewed commitment to service that enhances trade capabilities. With the NSW reducing Customs processing times, trade participants will be more open to expanding their trade with Vietnam. With an automated system, GDVC services will become more transparent and more closely aligned with international standards as set out by the World Customs Organization.

Human Capacity Building

Extensive training will accompany the NSW, which will help develop the expertise of GDVC staff members.

Technology Transfer and Productivity Improvement

By reducing manual processing and introducing the notion of risk management, the program will have significant impact on the productivity of GDVC. The reduction in inspections resulting from the NSW program will allow GDVC to focus additional efforts on the screening of non-authorized shippers which should improve compliance and control capabilities.

APPENDIX B: LIST OF POTENTIAL US EXPORTERS

Firm/Org.	Contact Person	Address	Telephone	Fax Number	e-mail	Date of Contact	Comments
IBM Corporation	Ngo Manh Thang	New Orchard Road Armonk, New York 10504-1722	(914) 499-1900		thangngm@vn.ibm.com	Nov 09	IBM is interested to supply the hardware equipments for the project through its local offices in Vietnam
Sandler Travis & Rosenberg	Nicole Collinson	1300 Pennsylvania Avenue, N.W., Suite 400 Washington, D.C. 20004	(202) 471-3232		ntbc@strtrade.com	Nov 09	Sandler Travis is interested in supplying custom modernization system and equipments
ARD Inc.	Stephen Carpenter	159 Bank Street Burlington, VT 05401	(802) 658-3890		scarpenter@ardinc.com	Jan 10	ARD is very interested in the consulting part of the project given its previous history in implementing SW systems in developing countries
IP3	Jeff Wuorinen	1611 N. Kent Street Suite 700 Arlington, VA 22209	(703) 807-5700		jwuorinen@ip3.org	Jan 10	IP3 would be interested in any components that would be done on a PPP basis, the would be interested in assisting and transaction advisers.
Chemonics International	David Fratt	1717 H Street, NW Washington, D.C. 20006	202.955.3300		dfratt@chemonics.com		Chemonics has done quite a bit of trade facilitation work. They usually pursue USAID work only, but may be interested in providing services as management consultants.
TERA	Jim Rizor	107 E. Holly Avenue Suite 12 Sterling, VA 20164	703.406.4400		jrizor@teraint.com	Jan 10	TERA is a transport firm and would be very interested in components related to trade facilitation from a transportation economics context

APPENDIX C: IMPACT ON U.S. LABOR STATEMENT

IMPACT ON U.S. LABOR STATEMENT

The Foreign Operations, Export Financing and Related Programs Appropriations legislation restricts U.S. foreign assistance from being used to provide: (a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States; (b) assistance for any project or activity that contributes to the violation of internationally recognized workers rights; and (c) direct assistance for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

TOR Task and Name	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10
Task 1: Project Start-Up and Kick-off Workshop	—									
Task 2: Existing Conditions and Procedure	—	—								
Task 3: Consultations with Stakeholders	—	—								
Task 4: Document, Data and Information Standardization	—	—								
Task 5: Proposals for Data Models and DFDs			—	—	—	—	—			
Task 6: Technology Infrastructure Requirements							—			
Task 7: Legal Review							—			
Task 8: Institutional Arrangements								—		
Task 9: Financial and Technical Analysis								—		
Task 10: Environmental and Social Analysis								—		
Task 11: Technical specifications for the VNSW								—		
Task 12: Host Country Development Impacts									—	
Task 13: Final Report										—

ANNEX 3



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

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

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

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

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

NATIONALITY:

1) Rule

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S.

subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

2) Application

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

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

3) Definitions

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

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

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

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

SOURCE AND ORIGIN:

1) Rule

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

2) Application

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

3) Definitions

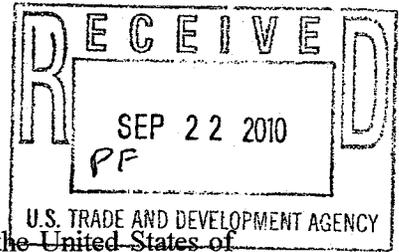
"Source" means the country from which shipment is made.

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

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

ANNEX 4

Vietnam 740-34024A



GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and the Ministry of Finance of the Socialist Republic of Viet Nam acting through the General Department of Viet Nam Customs ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US\$718,600 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed National Single Window Customs Project ("Project") in the Socialist Republic of Viet Nam ("Host Country").

HS
DR
PA
MB
JS
NP
SS

1. USTDA Funding

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

LZ
PD
JW

2. Terms of Reference

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

3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials, and commercial entities, in their respective countries. The parties to this Grant Agreement and the Contractor shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study.

4. Grantee Responsibilities

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

5. USTDA as Financier

(A) USTDA Approval of Competitive Selection Procedures

Selection of the U.S. Contractor shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors with advance notice of the procurement published online through *Federal Business Opportunities* (www.fedbizopps.gov). Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information and/or approval.

(B) USTDA Approval of Contractor Selection

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

(C) USTDA Approval of Contract Between Grantee and Contractor

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

(D) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they might have against the

Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

(E) Grant Agreement Controlling

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

6. Disbursement Procedures

(A) USTDA Approval of Contract Required

USTDA will make disbursements of Grant funds directly to the Contractor only after USTDA approves the Grantee's contract with the Contractor.

(B) Contractor Invoice Requirements

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

7. Effective Date

The effective date of this Grant Agreement ("Effective Date") shall be the date of signature by both parties or, if the parties sign on different dates, the date of the last signature.

8. Study Schedule

(A) Study Completion Date

The completion date for the Study, which is September 15, 2011 is the date by which the parties estimate that the Study will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

9. USTDA Mandatory Clauses

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

10. Use of U.S. Carriers

(A) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(B) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

11. Nationality, Source and Origin

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

12. Taxes

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

13. Cooperation Between Parties and Follow-Up

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

14. Implementation Letters

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

15. Recordkeeping and Audit

The Grantee agrees to maintain books, records, and other documents relating to the Study and the Grant Agreement adequate to demonstrate implementation of its responsibilities under the Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review books, records, and other documents relating to the Study and the Grant Agreement.

16. Representation of Parties

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by the Director General. 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: Mr. Nguyen Manh Tung
General Department of Viet Nam Customs
3rd Floor Silver Wings Building

137A Nguyen Van Cu
Hanoi, Viet Nam

Phone: 84.4.220.7603
Fax: 84.4.220.7600
tungnm@customs.gov.vn

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.: 1110/111001
Activity No.: 2010-31024A
Reservation No.: 2010310033
Grant No.: GH2010310006

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.

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IN WITNESS WHEREOF, the Government of the United States of America and the Ministry of Finance of the Socialist Republic of Viet Nam acting through the General Department of Viet Nam Customs, 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 the Government of
the Socialist Republic of Viet Nam

By: Michael W. Mihalek

By: [Signature]

Date: Sep. 15, 2010

Date: Sep. 15, 2010

Witnessed:

Witnessed:

By: Jessica Webster

By: [Signature]

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex I

Terms of Reference

The proposed USTDA funded Study will support the General Department of Viet Nam Customs ("Grantee"), and Standing Bureau under Viet Nam National Steering Committee on ASEAN Single Window, in identifying how to implement a National Single Window Customs Project ("Project") that helps to facilitate trade in Viet Nam and supports the goals of the ASEAN Single Window Agreement. A National Single Window system will help to increase customs revenue collection, decrease transaction costs and time, improve production of foreign trade statistics and enhance the effectiveness and accountability of customs activities in Viet Nam. Further, the Project will help lead the ASEAN initiative to speed the clearance of shipments and the release of goods by customs authorities in the ASEAN region.

The Contractor shall conduct the Study, which will include a data gap analysis, recommended technical design and specifications, and an implementation plan for the Project. The Grantee shall be able to use the Study recommendations and Final Report to seek Project financing and move forward with Project implementation.

Although the scope of the Study will focus on the needs of the Project in Viet Nam, the Contractor shall also consider ASEAN Single Window requirements when making recommendations to ensure that the Project is compliant with regional standards and can be incorporated into an ASEAN Single Window system.

Task 1: Project Start-Up and Kick-off Workshop

The Contractor shall meet with the Grantee and Stakeholders as defined in the Master Plan of the Implementation of Viet Nam National Single Window (VNSW) and identified by the Grantee, to discuss the Study scope, objectives and work plan. In addition, the Contractor shall review all previous relevant studies and data provided by the Grantee and document any data gaps.

The Contractor shall gain an initial understanding of the roles and responsibilities of Stakeholders as it relates to international trade requirements, the proposed Project and ASEAN Single Window system (ASW). The Contractor shall also gather information concerning the work accomplished by the VNSW steering committee and its working groups.

The Contractor shall hold a one-day workshop inviting Stakeholders to learn about the Project's scope, objectives, work plan, study methodology, coordinating mechanism as well as to get suggestions and comments from Stakeholders on these matters. The Grantee shall coordinate Stakeholder invitations.

The Contractor shall refine and finalize the Project's work plan as well as the study methodology, based on the outcomes of the above workshop, to meet Grantee requirements.

On the basis of the agreed coordinating mechanism among Stakeholders, the Grantee shall work with the Stakeholders to assign official representatives from each Stakeholder agency that will act as a point of contact and counterpart for the Contractor's team. The Stakeholder representative will be responsible for facilitating data collection, acquisition of information, and coordinating work for their Stakeholder agency, with the Contractor and Grantee team.

Deliverable: The Contractor shall provide a detailed report of findings including the agreed Project's scope, objectives, work plan, study methodology, coordinating mechanism, data availability, and potential data gaps. The report shall also include a summary of the main findings from the discussions with the various Stakeholders during this task.

Task 2: Assessment of Existing Conditions and Operational Procedures

The Contractor shall conduct a detailed assessment of the existing operational environment, existing information systems and IT infrastructure. The Contractor shall develop a detailed description of the requirements, stages and flow of a trade transaction. The Contractor shall identify the governmental and state-owned entities involved in trade transactions with a clear description of each agency's role. The above shall be done for each category of cross border trade (e.g., import versus export, transit shipments, sub-categories of customs transaction such as red line and green line transactions and others, etc.).

The Contractor shall also gather information related to the time release and the time of issuance requirements of the types of transactions, permits, licenses, and certificates. If the information is not available, the Contractor shall conduct a rapid time release/ time of issuance survey per the World Customs Organization standards. This information shall be the baseline data/benchmark for release time to allow the Contractor to conduct a financial analysis. Specifically, the Contractor shall assign monetary values of the time dedicated to current customs operations versus the proposed Project.

The Grantee will be responsible for facilitating the Contractor's work by conducting the preliminary surveys, which solicit necessary information from Stakeholder agencies. The Contractor shall help and advise the Grantee during the survey and data collection process on the survey methodology, business process modeling standards, among others as well as provide a training meeting for the Grantee personnel to administer the survey and data collection, if required. The Grantee and Contractor shall agree to a specific deadline by which the surveys and data collection shall be completed.

The Contractor shall:

- i. Gather information related to the capacity of traders/freight forwarders to utilize advanced IT systems implemented for the Project.
- ii. Gather information related to the existing automated processing/IT systems of Stakeholders that have been used for collecting information from traders/applicants, processing and making decision, among others.

- 
- iii. Gather information, conduct structured interviews, and develop a detailed description of the information needed from importers/exporters and the mode by which such information is submitted. This shall be done for the different types of trade transactions, types of cargo, and entry points (i.e., border crossings, airports, and ports).
 - iv. Based on the results from preliminary surveys and data collection provided by the Grantee, the Contractor shall gather information, conduct structured interviews, and develop a structured document in line with international standards such as WCO Data Model V3.0, UML V2.0. The document shall include a detailed process flow map for international or cross border trade transactions. The map shall detail the steps transactions go through from the point when information is submitted by the trader to the destination of delivery. This shall be done for the different types of trade transactions, cargo, and entry points. The Contractor shall identify and describe the Stakeholder entities involved in each step of the process with a detailed description of related information/forms required, at least at the level of division and the clear sequence for the transactions with reference to the existing legislation and regulations at least at the level of Ministry's Circular or Minister's Decision. A detailed description of how customs duties are estimated shall also be included in the map.
 - v. While conducting the above, the Contractor shall consider different information requirements and clearance procedures for trade transactions with neighboring countries that have bi- or multi-lateral trade facilitation agreements with Viet Nam. This includes ASEAN specific agreements and requirements.
 - vi. Study and evaluate the existing technology platforms used to submit information by traders with emphasis on the existing VNC automated processing systems of declaration. The Contractor shall also study and describe in detail the existing e-customs system and assess its inter-connectivity with Stakeholders.
 - vii. Identify restrictions in the current customs and Stakeholders processes (e.g., inspections stages, declaration stages, transport stages, etc.), and identify the amount of time associated with each restriction. This shall be used in the financial analysis to identify monetary gains and losses associated with customs and Stakeholders operations.

Deliverable: The Contractor shall provide a detailed report of the existing conditions' assessment, which covers the structured document developed in the above item (iv) and all the outcomes from the above items including preliminary recommendations to proceed with the framework and architecture of the Project.

Task 3: Consultations with Stakeholders

The Contractor shall meet with Stakeholders to present the findings of the above task. The Contractor shall identify areas and aspects of trade transactions (both technical and



legislative) that would be impacted as a result of NSW implementation. The Contractor shall detail the changes needed to successfully implement the Project.

The Contractor shall present at least two but no more than four National Single Window case studies where single window operations have been implemented. At least two case studies shall reflect countries that have similar structure and characteristics to Viet Nam. The Contractor shall be sure to describe the steps and the reforms that were made to implement NSW in those countries.

The Contractor shall modify the work plan and methodologies for the remaining Tasks, based on Stakeholder input, as well as identify the responsibilities and roles that are expected of the Stakeholders for the duration of the Study.

Deliverable: The Contractor shall document Meeting Minutes from the Stakeholder workshop including the agreed revised work plan and methodology for the remaining Tasks. The Meeting Minutes shall also include a summary of the main findings, views and comments from the Stakeholders and case studies.

Task 4: Document, Data and Information Standardization

The Contractor shall develop information standards for the documents and processes associated with import/export/transit goods, equipment and conveyance management for Stakeholders. The Contractor shall recommend how to harmonize the processes requirements for import/export/transit goods, equipment and conveyance. To do this, the Contractor shall:

- i. Advise and guide the Grantee to finalize the data analysis and surveys completed in Task 2. This may require the Contractor to directly help the Stakeholder agencies in the completion of questionnaires.
- ii. Review and analyze the forms and data currently used in international trade transactions. The Contractor shall understand the pertinence of each data element, establish and map the inter-relationship(s) of the international forms with Viet Nam's forms.
- iii. Comparatively analyze Viet Nam's current trade and administrative data models in relation to international best practices such as the WCO Customs Data Model. The Contractor shall identify where Viet Nam's current practices are similar and different from international best practices. The Contractor shall highlight areas where standard, international, harmonized data sets that meet governments' requirements for international cross-border trade could be adopted for an automated environment.
- iv. Finalize data standards and requirements for the following, with guidance from the Grantee:
 - a. A detailed description of data elements and sets needed for international trade transactions, including justifications for why different data sets are needed and in what format. The Contractor shall be sure to avoid and eliminate data redundancies.

- b. Following the recommendations set forth in UN/ECE, the Contractor shall develop and finalize the data standardization requirements including data form identification and analysis, direct agency contacts, data element reports, coding, common data elements, conditional data elements, government-provided data elements, optional data elements, participating government agencies, and others.

The Contractor shall deliver the work under this task accordance with local requirements and in harmonization with document/process models developed by the ongoing ASEAN Single Window project. The ASEAN project is in the process of finalizing the ASEAN Data Model v2 (ADM v2) and providing instruction for implementation in early 2010. ADM v2 seeks to harmonize data requirements for key commercial and transport documents across ASEAN to facilitate the exchange of this data electronically. Forms covered by the ADM v2 include CEPT Form-D, ASEAN Customs Declaration Document, Air Waybill, Bill of Lading, Cargo Manifest, Commercial Invoice, Fishery Certificate, Non-Preferential Certificate of Origin, Packing List, Phytosanitary Certificate, Purchase Order, Trade License, and Veterinary Certificate.

Deliverable: The Contractor shall provide draft documents and processes developed under this task as well as a thorough analysis and justification for proposing the data elements used in the documents and procedures. If previously used data elements are not included in the recommended documents/procedures, the Contractor shall be prepared to provide a thorough explanation for their exclusion or how they are captured elsewhere in the documents.

Task 5: Develop Proposals for Data Models and Data Flow Models

The Contractor shall develop and finalize proposals for data models to be used, data flow models, and data functional requirements. This includes the following:

- i. The Contractor shall finalize the data standardization model and requirement from the previous Task. This shall include standardizing requirements for Stakeholders.
- ii. The Contractor shall develop a document that defines the data set and trade and administrative data model to be used for Project implementation and operation.
- iii. The Contractor shall develop the Single Administrative Document (SAD) for cross-border transactions in both electronic and paper form.
- iv. The Contractor shall develop electronic data flow models based on the current paper-based environment process and ensure checks and balances remain intact.
- v. The Contractor shall develop user/functional requirements based on the profiles for each participating Stakeholder to include border operations, licensing, permitting, certificating, system security, data management, and other system features for Project implementation.
- vi. The Contractor shall complete the above subtasks for application at the national level in the Host Country. The Contractor shall take into consideration and

incorporate, in the deliverables and Final Report, all requirements of the ASEAN Single Window project currently under finalization.

Task 6: Develop Technology Infrastructure Requirements

Based on the findings and recommendations of Tasks 4 - 6, the Contractor shall develop a detailed IT Master Plan that describes and evaluates options for the computer hardware and software needed to implement NSW. At a minimum, the IT Master Plan shall include recommendations for:

Servers and workstations	Communication Protocols
Operating System to be used for the servers and the workstations	Exchange Gateways features
Application Systems to be used	Data Storage Requirements (Transaction Database and Data Warehouse)
Database Management Systems	Security including Encryption, Network Security, Functional Security, and Data Security
Development platforms	Network Environments including Routers, Switches, LAN Cabling, and WAN cabling
Communications Networks	
Backup Data Centers	

Deliverable: The Contractor shall provide a detailed IT Master Plan that captures all elements of Task 4-6 which includes, at a minimum, the SAD, data flow models, user requirements, and recommended software and hardware purchases. While aiming at optimum specifications and characteristics for the Project, the Contractor shall assess the availability of potential U.S. sources of supply for any aspect of this activity that could go to procurement following the completion of the Feasibility Study, in accordance with Clause I of Annex II in the Grant Agreement. The Contractor shall provide the business name, point of contact, address, telephone, e-mail, and fax numbers for each source.

Task 7: Legal Review

The Contractor shall review the findings of the ongoing USAID funded legal assessment supporting the Project. The findings and recommendations of the USAID work shall be taken into consideration by the Contractor in the development of the institutional reform plan as required in Task 8.

Task 8: Institutional Reform Plan and Capacity Building Needs

The Contractor shall (1) design a detailed plan for institutional reform to implement and operate the Project, (2) design training and capacity building programs to empower future users of the Project, and (3) design awareness and outreach program to introduce the Project among users/Stakeholders.

Institutional Reform Plan

The Contractor shall develop a detailed plan for institutional reforms, and a transition plan for Stakeholders, for Project operation. The Contractor shall also recommend how redundant efforts/responsibilities can be eliminated between Stakeholders using interagency agreements. The Contractor shall:

- i. Develop a detailed Project plan listing Stakeholder needs related to acquiring and preparing facilities, hosting computer sites and offices.
- ii. Develop detailed descriptions for modifications to ports of entry (physical and institutional) to accommodate the Project.
- iii. Identify trade community software requirements needed for Project operations.
- iv. Develop a detailed Project implementation plan, which includes a step-by-step timeline, deliverables and requirements to achieve successful Project implementation.
- v. Identify implementation options including initial pilot projects or prototype sites and detail the phases of locations selection, participant agencies, and functions.
- vi. Develop a detailed plan for system development including management, work breakdown structure, documentation, development model, and interface requirements.
- vii. Develop detailed responsibility matrix for the Grantee, Stakeholders and Project operators while including trade-related and international users.
- viii. Develop a detailed plan for user support in the initial phases of implementation including systems acceptance testing and customer service requirements.

Training and Capacity Building Program

The Contractor shall develop a Training Plan to be deployed during Project implementation. Based on the findings and observations made during Task 2 and the recommendations of other Tasks, the Contractor shall advise the Grantee and complete the following at a minimum:

- i. Identify key project users who will need training including Stakeholders, government executives, trade executives, government end-users, government inspectors, trade community filers, system integrators, government end-system operators, and legal groups.
- ii. Determine the required number of trainees from the various target groups including training-of-trainers for each.
- iii. For each user group listed in "i", prepare detailed training needs assessment that includes a scope of the training and recommended mode to deliver the training (e.g., on-the-job, in-class, study tours, etc.). This shall include a detailed description of the current skill gaps and the skill sets needed at the various target groups, and for different levels within each target group.

- iv. Design training modules for the groups to include the training curricula framework, course descriptions, training requirements (e.g., prioritization of the various training modules, recommended instructional delivery systems, facility requirements, etc.), and the predicted training outcomes for each module.
- v. For each training module, the Contractor shall prepare qualifications requirements for the training instructors that would be used by the Grantee to procure and select training services.

Awareness and Outreach Program

The Contractor shall, with guidance from the Grantee:

- i. Develop a clear outreach and communication implementation plan focusing on each phase of Project implementation (planning stage, pre-deployment, deployment, post-deployment, etc.)
- ii. Clearly define the target audience at each stage (government, private sector, media, public, etc.)
- iii. Develop key messages for each target audience during the different stages outlined above.
- iv. Develop outreach tools for each target audience bearing the key messages identified above including Websites and FAQ links, Email newsletters, Pamphlets, and Media interviews/press kits.

Deliverable: The Contractor shall provide a detailed plan for institutional reforms and a transition plan for Stakeholders, for Project implementation and operation. Additionally the Contractor shall provide a detailed training plan and outreach program that the Grantee can deploy during Project implementation.

Task 9: Financial and Technical Analysis

The Contractor shall estimate the financial viability of the Project using both quantitative and qualitative estimates of the system deployment costs and benefits. The analysis shall include full costs of design and implementation, equipment, costs of operations, and revenues (monetary and non monetary). The Contractor shall recommend potential US based export technologies, services and suppliers for the equipment listed under this task. The Contractor shall:

- o Estimate Project impact on reducing the burden incurred by the trade community to meet government requirements electronically and in paper form.
- o Identify Project impact on government personnel productivity and government spending on IT.
- o Assess Project impact on the trading community's compliance with trade laws and regulations and assess the cost impact that will be borne by the trading community.
- o Estimate reduced costs for trade compliance.
- o Estimate Project impact on international trade policies.

- Identify Project improvement on border crossing times.
- Determine Project impact on port, facilities and transport infrastructure.

To meet the above, the Contractor shall:

- i. Define technical characteristics for the Project's layout including operations and equipment and maintainability of the Project.
- ii. Review and update all implementation and operating costs and benefits of the Project. The Contractor shall estimate the economic internal rate of return (EIRR) on the basis of non-incremental and incremental economic benefits and economic costs (including economic capital, operation, and maintenance costs) in constant economic prices.
- iii. Develop realistic and competitive fees/revenue and assess the adequacy of revenues to ensure sustained financial viability of investment (covering operation and maintenance costs, depreciation, debt service in excess of depreciation, taxes, and reasonable profit).
- iv. Assess and prepare financial projections for the Project over 20 years of operation including balance sheet, income statement, and cash flow statement in nominal terms covering a period of 20 years. Assumptions made in the financial statements shall be explained in detail. Financial projections shall take into consideration the likely effects of inflation and the potential for exchange rate fluctuations.
- v. Carry out a financial evaluation for the Project over the implementation and operation period by calculating the Financial Internal Rate of Return (FIRR) and comparing it with weighted average cost of capital (WACC). The FIRR and WACC shall be computed using constant 2009 prices. The cost estimates and financial projections in nominal terms shall be converted to real terms by removing the projected effects of foreign and domestic inflation and currency fluctuations. Incremental costs and benefits shall be derived from evaluating the financial position under a with-project and without-project scenario.
- vi. Identify risk factors and test the sensitivity of the Project to them, and propose mitigating measures. The Contractor shall undertake sensitivity analysis by varying charges, costs, implementation delay, and combinations of these factors. Switching values for these factors, excluding implementation delay, shall also be calculated and the sensitivity of the financial viability of the Project to future exchange rate movements shall be reviewed.
- vii. Undertake a financial management requirements assessment of the operating entity which shall include (a) corporate planning and budgetary control, (b) financial and management accounting, and (c) internal control and audit system. The Contractor shall determine what capacity building at the system's operating entity shall be considered.
- viii. Develop a best estimate of potential procurements and the supply of U.S. goods and services for Project implementation. This estimate shall be broken down by

category and dollar value of goods and services required for successful Project implementation as well as likely source of import. The Contractor shall also provide a list of potential U.S. suppliers that can provide the goods and services listed. The Contractor shall – per USTDA’s requirements - contact U.S. companies that offer these goods and services and summarize their level of interest in the Project.

- ix. Identify likely sources of financing.

Deliverable: The Contractor shall provide a detailed financial and technical analysis, of the requirements for Project implementation.

Task 10: Environmental and Social Analysis

Although not expected to have any environmental impacts, the Contractor shall – per USTDA’s requirements - assess social and socioeconomic impacts of implementing the Project in Viet Nam. Key issues to be addressed include trade facilitation, economic development as a result of improved trade, border security issues, safety of goods, etc.

Task 11: Develop proposals and technical specifications for the VNSW system

Based on the findings, recommendations and outcomes in previous Tasks, the Contractor shall:

- i. Develop proposals for the Operational Model of the VNSW.
- ii. Develop proposals for the Technical Model and overall IT architecture of the VNSW system.
- iii. Develop detailed technical specifications for the VNSW system that would be used as reference document in the development of tender documents.

Deliverable: The Contractor shall provide proposals and technical specifications and requirements for the Project.

Task 12: Host Country Development Impacts

The Contractor shall conduct a Host Country Development Impact Analysis. The Host Country Development Impacts analysis is intended to provide the project’s decision-makers and interested parties with a broader view of the project’s potential effects on the Host Country. The analysis shall focus on what development impact is likely if the project is implemented according to the study recommendations. While specific focus shall be paid to the immediate impact of the project, analysis shall include any additional developmental benefits that may result from the project’s implementation, including spin-off and demonstration effects. The factors to be considered shall include but are not limited to the following:

Infrastructure - The Contractor shall analyze the impact that the infrastructure changes will have both on Viet Nam nationally and on the surrounding vicinity of the project.

Market- Oriented Reform - The Contractor shall provide a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.

Human Capacity Building - The Contractor shall assess the number and type of local positions that would be needed to construct and operate the proposed project, as well as the number of local people who would still need to receive training and describe such additional training programs. The Contractor shall also include an assessment of the multiplier effect on job creation in the agricultural and other sectors.

Technology Transfer and Productivity Enhancement - The Contractor shall include a description of any advanced technologies that would be utilized and/or developed as a result of the project. A description of any efficiency that would be gained (e.g., improvements in the navigation and pilotage of passenger and tourism cruise ships) shall be included by the Contractor.

Other - The Contractor shall describe any other developmental impacts or benefits that would result from the project, for example, follow-on or replication projects in other neighboring countries, improved financial revenue flows to the Host Country, etc.

Task 13: Final Report

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 I of Annex II of the Grant Agreement.

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 II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this contract acknowledge that this contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and the Ministry of Finance of the Socialist Republic of Viet Nam acting through the General Department of Viet Nam Customs ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the feasibility study ("Study") for the National Single Window Customs Project ("Project") in the Socialist Republic of Viet Nam ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

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

(2) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility

or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

C. Nationality, Source and Origin

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

D. Recordkeeping and Audit

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

E. U.S. Carriers

(1) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(2) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

F. Workman's Compensation Insurance

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

G. Reporting Requirements

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

H. Disbursement Procedures

(1) USTDA Approval of Contract

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

(2) Payment Schedule Requirements

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

(3) Contractor Invoice Requirements

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

(a) Contractor's Invoice

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

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

"As a condition for this mobilization payment, the Contractor certifies that it will perform all work in accordance with the terms of its Contract with the Client. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA. "

(ii) For contract performance milestone payments:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For final payment:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(b) Client's Approval of the Contractor's Invoice

(i) The invoice for a mobilization payment must be approved in writing by the Client.

(ii) For contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

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

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

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

(c) USTDA Address for Disbursement Requests

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

(4) Termination

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

I. USTDA Final Report

(1) Definition

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

(2) Final Report Submission Requirements

The Contractor shall provide the following to USTDA:

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

and

(b) One (1) copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (a) above contains no confidential information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient Project detail to be useful to prospective equipment and service providers.

and

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

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

(3) Final Report Presentation

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, USTDA's mailing and delivery addresses. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling the front cover of the Public Version of the Final Report with the term "Public Version." The front cover of every Final Report shall also contain the following disclaimer:

"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U. S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of

USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement. Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

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

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

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

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers shall be included for each commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

J. Modifications

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

K. Study Schedule

(1) Study Completion Date

The completion date for the Study, which is September 15, 2011, is the date by which the parties estimate that the Study will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

L. Business Practices

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

M. USTDA Address and Fiscal Data

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

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

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

Fiscal Data:

Appropriation No.: 1110/111001
Activity No.: 2010-31024A
Reservation No.: 2010310033
Grant No.: GH2010310006

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

The proposed USTDA funded Study will support the General Department of Viet Nam Customs ("Grantee"), and Standing Bureau under Viet Nam National Steering Committee on ASEAN Single Window, in identifying how to implement a National Single Window Customs Project ("Project") that helps to facilitate trade in Viet Nam and supports the goals of the ASEAN Single Window Agreement. A National Single Window system will help to increase customs revenue collection, decrease transaction costs and time, improve production of foreign trade statistics and enhance the effectiveness and accountability of customs activities in Viet Nam. Further, the Project will help lead the ASEAN initiative to speed the clearance of shipments and the release of goods by customs authorities in the ASEAN region.

The Contractor shall conduct the Study, which will include a data gap analysis, recommended technical design and specifications, and an implementation plan for the Project. The Grantee shall be able to use the Study recommendations and Final Report to seek Project financing and move forward with Project implementation.

Although the scope of the Study will focus on the needs of the Project in Viet Nam, the Contractor shall also consider ASEAN Single Window requirements when making recommendations to ensure that the Project is compliant with regional standards and can be incorporated into an ASEAN Single Window system.

Task 1: Project Start-Up and Kick-off Workshop

The Contractor shall meet with the Grantee and stakeholders as defined in the Master Plan of the Implementation of Viet Nam National Single Window (VNSW) and identified by the Grantee, to discuss the Study scope, objectives and work plan. In addition, the Contractor shall review all previous relevant studies and data provided by the Grantee and document any data gaps.

The Contractor shall gain an initial understanding of the roles and responsibilities of stakeholders as it relates to international trade requirements, the proposed Project and ASEAN Single Window system (ASW). The Contractor shall also gather information concerning the work accomplished by the VNSW steering committee and its working groups.

The Contractor shall hold a one-day workshop inviting stakeholders to learn about the Project's scope, objectives, work plan, study methodology, coordinating mechanism as well as to get suggestions and comments from stakeholders on these matters. The Grantee shall coordinate stakeholder invitations.

The Contractor shall refine and finalize the Project's work plan as well as the study methodology, based on the outcomes of the above workshop, to meet Grantee requirements.

On the basis of the agreed coordinating mechanism among stakeholders, the Grantee shall work with the stakeholders to assign official representatives from each stakeholder agency

that will act as a point of contact and counterpart for the Contractor's team. The stakeholder representative will be responsible for facilitating data collection, acquisition of information, and coordinating work for their stakeholder agency, with the Contractor and Grantee team.

Deliverable: The Contractor shall provide a detailed report of findings including the agreed Project's scope, objectives, work plan, study methodology, coordinating mechanism, data availability, and potential data gaps. The report shall also include a summary of the main findings from the discussions with the various stakeholders during this task.

Task 2: Assessment of Existing Conditions and Operational Procedures

The Contractor shall conduct a detailed assessment of the existing operational environment, existing information systems and IT infrastructure. The Contractor shall develop a detailed description of the requirements, stages and flow of a trade transaction. The Contractor shall identify the governmental and state-owned entities involved in trade transactions with a clear description of each agency's role. The above shall be done for each category of cross border trade (e.g., import versus export, transit shipments, sub-categories of customs transaction such as red line and green line transactions and others, etc.).

The Contractor shall also gather information related to the time release and the time of issuance requirements of the types of transactions, permits, licenses, and certificates. If the information is not available, the Contractor shall conduct a rapid time release/ time of issuance survey per the World Customs Organization standards. This information shall be the baseline data/benchmark for release time to allow the Contractor to conduct a financial analysis. Specifically, the Contractor shall assign monetary values of the time dedicated to current customs operations versus the proposed Project.

The Grantee will be responsible for facilitating the Contractor's work by conducting the preliminary surveys, which solicit necessary information from stakeholder agencies. The Contractor shall help and advise the Grantee during the survey and data collection process on the survey methodology, business process modeling standards, among others as well as provide a training meeting for the Grantee personnel to administer the survey and data collection, if required. The Grantee and Contractor shall agree to a specific deadline by which the surveys and data collection shall be completed.

The Contractor shall:

- i. Gather information related to the capacity of traders/freight forwarders to utilize advanced IT systems implemented for the Project.
- ii. Gather information related to the existing automated processing/IT systems of stakeholders that have been used for collecting information from traders/applicants, processing and making decision, among others.
- iii. Gather information, conduct structured interviews, and develop a detailed description of the information needed from importers/exporters and the mode by which such information is submitted. This shall be done for the different types of trade transactions, types of cargo, and entry points (i.e., border crossings, airports, and ports).

- iv. Based on the results from preliminary surveys and data collection provided by the Grantee, the Contractor shall gather information, conduct structured interviews, and develop a structured document in line with international standards such as WCO Data Model V3.0, UML V2.0. The document shall include a detailed process flow map for international or cross border trade transactions. The map shall detail the steps transactions go through from the point when information is submitted by the trader to the destination of delivery. This shall be done for the different types of trade transactions, cargo, and entry points. The Contractor shall identify and describe the stakeholder entities involved in each step of the process with a detailed description of related information/forms required, at least at the level of division and the clear sequence for the transactions with reference to the existing legislation and regulations at least at the level of Ministry's Circular or Minister's Decision. A detailed description of how customs duties are estimated shall also be included in the map.
- v. While conducting the above, the Contractor shall consider different information requirements and clearance procedures for trade transactions with neighboring countries that have bi- or multi-lateral trade facilitation agreements with Viet Nam. This includes ASEAN specific agreements and requirements.
- vi. Study and evaluate the existing technology platforms used to submit information by traders with emphasis on the existing VNC automated processing systems of declaration. The Contractor shall also study and describe in detail the existing e-customs system and assess its inter-connectivity with stakeholders.
- vii. Identify restrictions in the current customs and stakeholders processes (e.g., inspections stages, declaration stages, transport stages, etc.), and identify the amount of time associated with each restriction. This shall be used in the financial analysis to identify monetary gains and losses associated with customs and stakeholders operations.

Deliverable: The Contractor shall provide a detailed report of the existing conditions' assessment, which covers the structured document developed in the above item (iv) and all the outcomes from the above items including preliminary recommendations to proceed with the framework and architecture of the Project.

Task 3: Consultations with Stakeholders

The Contractor shall meet with stakeholders to present the findings of the above task. The Contractor shall identify areas and aspects of trade transactions (both technical and legislative) that would be impacted as a result of NSW implementation. The Contractor shall detail the changes needed to successfully implement the Project.

The Contractor shall present at least two but no more than four National Single Window case studies where single window operations have been implemented. At least two case studies shall reflect countries that have similar structure and characteristics to Viet Nam. The Contractor shall be sure to describe the steps and the reforms that were made to implement NSW in those countries.

The Contractor shall modify the work plan and methodologies for the remaining Tasks, based on stakeholder input, as well as identify the responsibilities and roles that are expected of the stakeholders for the duration of the Study.

Deliverable: The Contractor shall document Meeting Minutes from the Stakeholder workshop including the agreed revised work plan and methodology for the remaining Tasks. The Meeting Minutes shall also include a summary of the main findings, views and comments from the stakeholders and case studies.

Task 4: Document, Data and Information Standardization

The Contractor shall develop information standards for the documents and processes associated with import/export/transit goods, equipment and conveyance management for stakeholders. The Contractor shall recommend how to harmonize the processes requirements for import/export/transit goods, equipment and conveyance. To do this, the Contractor shall:

- i. Advise and guide the Grantee to finalize the data analysis and surveys completed in Task 2. This may require the Contractor to directly help the stakeholder agencies in the completion of questionnaires.
- ii. Review and analyze the forms and data currently used in international trade transactions. The Contractor shall understand the pertinence of each data element, establish and map the inter-relationship(s) of the international forms with Viet Nam's forms.
- iii. Comparatively analyze Viet Nam's current trade and administrative data models in relation to international best practices such as the WCO Customs Data Model. The Contractor shall identify where Viet Nam's current practices are similar and different from international best practices. The Contractor shall highlight areas where standard, international, harmonized data sets that meet governments' requirements for international cross-border trade could be adopted for an automated environment.
- iv. Finalize data standards and requirements for the following, with guidance from the Grantee:
 - c. A detailed description of data elements and sets needed for international trade transactions, including justifications for why different data sets are needed and in what format. The Contractor shall be sure to avoid and eliminate data redundancies.
 - d. Following the recommendations set forth in UN/ECE, the Contractor shall develop and finalize the data standardization requirements including data form identification and analysis, direct agency contacts, data element reports, coding, common data elements, conditional data elements, government-provided data elements, optional data elements, participating government agencies, and others.

The Contractor shall deliver the work under this task accordance with local requirements and in harmonization with document/process models developed by the ongoing ASEAN Single Window project. The ASEAN project is in the process of finalizing the ASEAN Data Model v2 (ADM v2) and providing instruction for implementation in early 2010. ADM v2 seeks to

harmonize data requirements for key commercial and transport documents across ASEAN to facilitate the exchange of this data electronically. Forms covered by the ADM v2 include CEPT Form-D, ASEAN Customs Declaration Document, Air Waybill, Bill of Lading, Cargo Manifest, Commercial Invoice, Fishery Certificate, Non-Preferential Certificate of Origin, Packing List, Phytosanitary Certificate, Purchase Order, Trade License, and Veterinary Certificate.

Deliverable: The Contractor shall provide draft documents and processes developed under this task as well as a thorough analysis and justification for proposing the data elements used in the documents and procedures. If previously used data elements are not included in the recommended documents/procedures, the Contractor shall be prepared to provide a thorough explanation for their exclusion or how they are captured elsewhere in the documents.

Task 5: Develop Proposals for Data Models and Data Flow Models

The Contractor shall develop and finalize proposals for data models to be used, data flow models, and data functional requirements. This includes the following:

- i. The Contractor shall finalize the data standardization model and requirement from the previous Task. This shall include standardizing requirements for stakeholders.
- ii. The Contractor shall develop a document that defines the data set and trade and administrative data model to be used for Project implementation and operation.
- iii. The Contractor shall develop the Single Administrative Document (SAD) for cross-border transactions in both electronic and paper form.
- iv. The Contractor shall develop electronic data flow models based on the current paper-based environment process and ensure checks and balances remain intact.
- v. The Contractor shall develop user/functional requirements based on the profiles for each participating stakeholder to include border operations, licensing, permitting, certificating, system security, data management, and other system features for Project implementation.
- vi. The Contractor shall complete the above subtasks for application at the national level in the Host Country. The Contractor shall take into consideration and incorporate, in the deliverables and Final Report, all requirements of the ASEAN Single Window project currently under finalization.

Task 6: Develop Technology Infrastructure Requirements

Based on the findings and recommendations of Tasks 4 and 6, the Contractor shall develop a detailed IT Master Plan that describes and evaluates options for the computer hardware and software needed to implement NSW. At a minimum, the IT Master Plan shall include recommendations for:

- | | |
|---|----------------------------|
| Servers and workstations | Communication Protocols |
| Operating System to be used for the servers | Exchange Gateways features |

and the workstations
Application Systems to be used
Database Management Systems
Development platforms
Communications Networks
Backup Data Centers

Data Storage Requirements (Transaction Database and Data Warehouse)
Security including Encryption, Network Security, Functional Security, and Data Security
Network Environments including Routers, Switches, LAN Cabling, and WAN cabling

Deliverable: The Contractor shall provide a detailed IT Master Plan that captures all elements of Task 4-6 which includes, at a minimum, the SAD, data flow models, user requirements, and recommended software and hardware purchases. While aiming at optimum specifications and characteristics for the Project, the Contractor shall assess the availability of potential U.S. sources of supply for any aspect of this activity that could go to procurement following the completion of the Feasibility Study, in accordance with Clause I of Annex II in the Grant Agreement. The Contractor shall provide the business name, point of contact, address, telephone, e-mail, and fax numbers for each source.

Task 7: Legal Review

The Contractor shall review the findings of the ongoing USAID funded legal assessment supporting the Project. The findings and recommendations of the USAID work shall be taken into consideration by the Contractor in the development of the institutional reform plan as required in Task 8.

Task 8: Institutional Reform Plan and Capacity Building Needs

The Contractor shall (1) design a detailed plan for institutional reform to implement and operate the Project, (2) design training and capacity building programs to empower future users of the Project, and (3) design awareness and outreach program to introduce the Project among users/stakeholders.

Institutional Reform Plan

The Contractor shall develop a detailed plan for institutional reforms, and a transition plan for stakeholders, for Project operation. The Contractor shall also recommend how redundant efforts/responsibilities can be eliminated between stakeholders using interagency agreements. The Contractor shall:

- i. Develop a detailed Project plan listing stakeholder needs related to acquiring and preparing facilities, hosting computer sites and offices.
- ii. Develop detailed descriptions for modifications to ports of entry (physical and institutional) to accommodate the Project.
- iii. Identify trade community software requirements needed for Project operations.
- iv. Develop a detailed Project implementation plan, which includes a step-by-step timeline, deliverables and requirements to achieve successful Project implementation.

- v. Identify implementation options including initial pilot projects or prototype sites and detail the phases of locations selection, participant agencies, and functions.
- vi. Develop a detailed plan for system development including management, work breakdown structure, documentation, development model, and interface requirements.
- vii. Develop detailed responsibility matrix for the Grantee, stakeholders and Project operators while including trade-related and international users.
- viii. Develop a detailed plan for user support in the initial phases of implementation including systems acceptance testing and customer service requirements.

Training and Capacity Building Program

The Contractor shall develop a Training Plan to be deployed during Project implementation. Based on the findings and observations made during Task 2 and the recommendations of other Tasks, the Contractor shall advise the Grantee and complete the following at a minimum:

- i. Identify key project users who will need training including stakeholders, government executives, trade executives, government end-users, government inspectors, trade community filers, system integrators, government end-system operators, and legal groups.
- ii. Determine the required number of trainees from the various target groups including training-of-trainers for each.
- iii. For each user group listed in "i", prepare detailed training needs assessment that includes a scope of the training and recommended mode to deliver the training (e.g., on-the-job, in-class, study tours, etc.). This shall include a detailed description of the current skill gaps and the skill sets needed at the various target groups, and for different levels within each target group.
- iv. Design training modules for the groups to include the training curricula framework, course descriptions, training requirements (e.g., prioritization of the various training modules, recommended instructional delivery systems, facility requirements, etc.), and the predicted training outcomes for each module.
- v. For each training module, the Contractor shall prepare qualifications requirements for the training instructors that would be used by the Grantee to procure and select training services.

Awareness and Outreach Program

The Contractor shall, with guidance from the Grantee:

- i. Develop a clear outreach and communication implementation plan focusing on each phase of Project implementation (planning stage, pre-deployment, deployment, post-deployment, etc.)
- ii. Clearly define the target audience at each stage (government, private sector, media, public, etc.)
- iii. Develop key messages for each target audience during the different stages outlined above.

- iv. Develop outreach tools for each target audience bearing the key messages identified above including Websites and FAQ links, Email newsletters, Pamphlets, and Media interviews/press kits.

Deliverable: The Contractor shall provide a detailed plan for institutional reforms and a transition plan for stakeholders, for Project implementation and operation. Additionally the Contractor shall provide a detailed training plan and outreach program that the Grantee can deploy during Project implementation.

Task 9: Financial and Technical Analysis

The Contractor shall estimate the financial viability of the Project using both quantitative and qualitative estimates of the system deployment costs and benefits. The analysis shall include full costs of design and implementation, equipment, costs of operations, and revenues (monetary and non monetary). The Contractor shall recommend potential US based export technologies, services and suppliers for the equipment listed under this task. The Contractor shall:

- o Estimate Project impact on reducing the burden incurred by the trade community to meet government requirements electronically and in paper form.
- o Identify Project impact on government personnel productivity and government spending on IT.
- o Assess Project impact on the trading community's compliance with trade laws and regulations and assess the cost impact that will be borne by the trading community.
- o Estimate reduced costs for trade compliance.
- o Estimate Project impact on international trade policies.
- o Identify Project improvement on border crossing times.
- o Determine Project impact on port, facilities and transport infrastructure.

To meet the above, the Contractor shall:

- i. Define technical characteristics for the Project's layout including operations and equipment and maintainability of the Project.
- ii. Review and update all implementation and operating costs and benefits of the Project. The Contractor shall estimate the economic internal rate of return (EIRR) on the basis of non-incremental and incremental economic benefits and economic costs (including economic capital, operation, and maintenance costs) in constant economic prices.
- iii. Develop realistic and competitive fees/revenue and assess the adequacy of revenues to ensure sustained financial viability of investment (covering operation and maintenance costs, depreciation, debt service in excess of depreciation, taxes, and reasonable profit).
- iv. Assess and prepare financial projections for the Project over 20 years of operation including balance sheet, income statement, and cash flow statement in nominal terms covering a period of 20 years. Assumptions made in the financial statements

shall be explained in detail. Financial projections shall take into consideration the likely effects of inflation and the potential for exchange rate fluctuations.

- v. Carry out a financial evaluation for the Project over the implementation and operation period by calculating the Financial Internal Rate of Return (FIRR) and comparing it with weighted average cost of capital (WACC). The FIRR and WACC shall be computed using constant 2009 prices. The cost estimates and financial projections in nominal terms shall be converted to real terms by removing the projected effects of foreign and domestic inflation and currency fluctuations. Incremental costs and benefits shall be derived from evaluating the financial position under a with-project and without-project scenario.
- vi. Identify risk factors and test the sensitivity of the Project to them, and propose mitigating measures. The Contractor shall undertake sensitivity analysis by varying charges, costs, implementation delay, and combinations of these factors. Switching values for these factors, excluding implementation delay, shall also be calculated and the sensitivity of the financial viability of the Project to future exchange rate movements shall be reviewed.
- vii. Undertake a financial management requirements assessment of the operating entity which shall include (a) corporate planning and budgetary control, (b) financial and management accounting, and (c) internal control and audit system. The Contractor shall determine what capacity building at the system's operating entity shall be considered.
- viii. Develop a best estimate of potential procurements and the supply of U.S. goods and services for Project implementation. This estimate shall be broken down by category and dollar value of goods and services required for successful Project implementation as well as likely source of import. The Contractor shall also provide a list of potential U.S. suppliers that can provide the goods and services listed. The Contractor shall – per USTDA's requirements - contact U.S. companies that offer these goods and services and summarize their level of interest in the Project.
- ix. Identify likely sources of financing.

Deliverable: The Contractor shall provide a detailed financial and technical analysis, of the requirements for Project implementation.

Task 10: Environmental and Social Analysis

Although not expected to have any environmental impacts, the Contractor shall – per USTDA's requirements - assess social and socioeconomic impacts of implementing the Project in Viet Nam. Key issues to be addressed include trade facilitation, economic development as a result of improved trade, border security issues, safety of goods, etc.

Task 11: Develop proposals and technical specifications for the VNSW system

Based on the findings, recommendations and outcomes in previous Tasks, the Contractor shall:

- i. Develop proposals for the Operational Model of the VNSW.
- ii. Develop proposals for the Technical Model and overall IT architecture of the VNSW system.
- iii. Develop detailed technical specifications for the VNSW system that would be used as reference document in the development of tender documents.

Deliverable: The Contractor shall provide proposals and technical specifications and requirements for the Project.

Task 12: Host Country Development Impacts

The Contractor shall conduct a Host Country Development Impact Analysis. The Host Country Development Impacts analysis is intended to provide the project's decision-makers and interested parties with a broader view of the project's potential effects on the Host Country. The analysis shall focus on what development impact is likely if the project is implemented according to the study recommendations. While specific focus shall be paid to the immediate impact of the project, analysis shall include any additional developmental benefits that may result from the project's implementation, including spin-off and demonstration effects. The factors to be considered shall include but are not limited to the following:

Infrastructure - The Contractor shall analyze the impact that the infrastructure changes will have both on Viet Nam nationally and on the surrounding vicinity of the project.

Market- Oriented Reform - The Contractor shall provide a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.

Human Capacity Building - The Contractor shall assess the number and type of local positions that would be needed to construct and operate the proposed project, as well as the number of local people who would still need to receive training and describe such additional training programs. The Contractor shall also include an assessment of the multiplier effect on job creation in the agricultural and other sectors.

Technology Transfer and Productivity Enhancement - The Contractor shall include a description of any advanced technologies that would be utilized and/or developed as a result of the project. A description of any efficiency that would be gained (e.g., improvements in the navigation and pilotage of passenger and tourism cruise ships) shall be included by the Contractor.

Other - The Contractor shall describe any other developmental impacts or benefits that would result from the project, for example, follow-on or replication projects in other neighboring countries, improved financial revenue flows to the Host Country, etc.

Task 13: Final Report

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 I of Annex II of the Grant Agreement.

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.

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.

2. 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 _____. The Offeror commits to notify USTDA

and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.

3. 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.
4. 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.
5. 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 \$25,000 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.
6. 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.

Signed: _____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____

E. Subcontractor Profile

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).

F. Subcontractor's Representations

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

1. Subcontractor 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 subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the Feasibility Study and to perform the Feasibility Study. The subcontractor 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.
2. Neither the subcontractor 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 subcontractor, 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 subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an

amount that exceeds \$25,000 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 subcontractor 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 subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

Signed: _____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____