

REQUEST FOR PROPOSALS

FEASIBILITY STUDY FOR THE FIRST GEN CABADBARAN RUN-OF-RIVER HYDROELECTRIC PROJECT

Submission Deadline: 4:00 PM

PHILIPPINE TIME

AUGUST 30, 2010

Submission Place: First Gen Mindanao Hydro Power Corporation
3/F Benpres Building, Exchange Road Corner
Meralco Ave.
Pasig City 1600 Philippines

To: Jerome H. Cainglet
Vice President, Business Development

Attn: Gerald T. Cajucom
Senior Manager, Business Development
Email: gtcajucom@firstgas.com.ph
Tel: +63 (2) 449.6216
Fax: +63 (2) 638.4706 / 631.3103

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

REQUEST FOR PROPOSALS

SECTION 1: INTRODUCTION	4
1.1 BACKGROUND SUMMARY.....	4
1.2 OBJECTIVE.....	4
1.3 PROPOSALS TO BE SUBMITTED	5
1.4 CONTRACT FUNDED BY USTDA.....	5
SECTION 2: INSTRUCTIONS TO OFFERORS	6
2.1 PROJECT TITLE.....	6
2.2 DEFINITIONS.....	6
2.3 DESK STUDY REPORT	6
2.4 EXAMINATION OF DOCUMENTS	6
2.5 PROJECT FUNDING SOURCE.....	7
2.6 RESPONSIBILITY FOR COSTS	7
2.7 TAXES.....	7
2.8 CONFIDENTIALITY.....	7
2.9 ECONOMY OF PROPOSALS	7
2.10 OFFEROR CERTIFICATIONS	7
2.11 CONDITIONS REQUIRED FOR PARTICIPATION.....	8
2.12 LANGUAGE OF PROPOSAL.....	8
2.13 PROPOSAL SUBMISSION REQUIREMENTS.....	8
2.14 PACKAGING.....	8
2.15 AUTHORIZED SIGNATURE.....	9
2.16 EFFECTIVE PERIOD OF PROPOSAL	9
2.17 EXCEPTIONS.....	9
2.18 OFFEROR QUALIFICATIONS	9
2.19 RIGHT TO REJECT PROPOSALS.....	9
2.20 PRIME CONTRACTOR RESPONSIBILITY.....	9
2.21 AWARD	9
2.22 COMPLETE SERVICES	10
2.23 INVOICING AND PAYMENT	10
SECTION 3: PROPOSAL FORMAT AND CONTENT	11
3.1 EXECUTIVE SUMMARY	11
3.2 COMPANY INFORMATION.....	12
3.2.1 COMPANY PROFILE	12
3.2.2 OFFEROR'S AUTHORIZED NEGOTIATOR.....	12
3.2.3 NEGOTIATION PREREQUISITES.....	12
3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL	15
3.4 TECHNICAL APPROACH AND WORK PLAN	15
3.5 EXPERIENCE AND QUALIFICATIONS	15
SECTION 4: AWARD CRITERIA.....	17

ANNEX 1 FEDBIZOPPS ANNOUNCEMENT
ANNEX 2 BACKGROUND DESK STUDY/DEFINITIONAL MISSION REPORT
ANNEX 3 USTDA NATIONALITY REQUIREMENTS
ANNEX 4 USTDA GRANT AGREEMENT, INCLUDING MANDATORY CONTRACT
CLAUSES
ANNEX 5 TERMS OF REFERENCE (FROM USTDA GRANT AGREEMENT)
ANNEX 6 COMPANY INFORMATION

Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$360,000 to First Gen Mindanao Hydro Power Corporation (the “Grantee” or “FGMHPC”) in accordance with a grant agreement dated July 28th, 2010 (the “Grant Agreement”). USTDA has provided a grant to the Grantee for a Feasibility Study for FGMHPC’s Cabadbaran Run-of-River Hydroelectric 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

First Gen Mindanao Hydro Power Corporation, a subsidiary of the private power producer First Gen Corporation, has requested USTDA funding support to develop a 14-20 MW run-of-river hydropower project in the city of Cabadbaran in Agusan Del Norte province on the southern Philippine island of Mindanao. FGMHPC has a certificate of registration for this listed project under the Philippine Renewable Energy Act of 2008, and has discussed sale of the power with the local distribution utility, Agusan del Norte Electric Cooperative Company, ANECO. The project is considered a priority under the Philippine Renewable Energy Act of 2008 and under Philippine electrification policy as it will help improve access to electricity for some 20,000-28,500 households in northern Mindanao, a Muslim majority area targeted for poverty alleviation and greater economic and political inclusion.

Through 2009, the Mindanao grid has suffered shortages as peak power demands exceed available power supplies and reserve margin. In response, the government has encouraged private power producers to pursue new deployments in Mindanao provinces. FGMHPC will use its vast experience from the operations and development of its First Gen-affiliated hydroelectric projects such as the 122MW hydro plant in Luzon and a 1.6MW plant in Bukidnon to complete the project.

FGMHPC has requested USTDA feasibility study funding support for the hydropower project to demonstrate its viability and secure necessary loan funding towards its completion. The study will include a hydrology study to establish long-term projected monthly flow and the flow duration curve for the Cabadbaran River, as well as a preliminary design for the project. The proposed feasibility study will help FGMHPC advance the hydropower project’s implementation, with a target commissioning in 2014.

First Gen Corporation and First Gen Mindanao Hydro Power Corporation

First Gen is the largest Filipino-owned and controlled independent power producer (IPP) in the Philippines with an installed capacity of 3,047MW accounting for approximately 20% of the total installed capacity in the country, including natural gas, geothermal, and hydropower assets. First Gen was incorporated in December 1998 to be the primary holding company for the power generation and energy-related businesses of the Lopez Group of companies, a Philippine

conglomerate that has been in the power distribution business for the past 40 years, and generation for over twelve years.

First Gen incorporated its wholly-owned subsidiary First Gen Mindanao Hydro Power Corporation in 2006 to pursue the development of hydropower projects on Mindanao. FGMHPC has prior working experience in Mindanao and have a small hydropower project located nearby the proposed Cabadbaran run-of-river project.

1.2 OBJECTIVE

The Terms of Reference (“TOR”) for this Feasibility Study are attached as Annex 5.

1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. The administrative and technical requirements as detailed throughout the Request for Proposals (“RFP”) will apply. Specific proposal format and content requirements are detailed in Section 3.

The amount for the contract has been established by a USTDA grant of US\$360,000. **The USTDA grant of US\$360,000 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$360,000 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called the *First Gen Cabadbaran Run-of-River Hydroelectric 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\$360,000.

2.6 RESPONSIBILITY FOR COSTS

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

2.7 TAXES

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

2.8 CONFIDENTIALITY

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

2.9 ECONOMY OF PROPOSALS

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

2.10 OFFEROR CERTIFICATIONS

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

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

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

2.12 LANGUAGE OF PROPOSAL

All proposal documents shall be prepared and submitted in English.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

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

To: Jerome Cainglet – Vice President

Attn: Gerald Cajucom
Senior Manager, Business Development
First Gen Mindanao Hydro Power Corporation
3/F Benpres Building, Exchange Road Corner
Meralco Ave.
Pasig City 1600 Philippines
Email: gtcajucom@firstgas.com.ph
Tel: +63 (2) 449.6216
Fax: +63 (2) 638.4706 / 631.3103

An Original and eight (8) copies of your proposal must be received at the above address no later than 4:00PM Philippine time, on AUGUST 30, 2010.

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Any proposal received after the deadline will be returned unopened. The Grantee will promptly notify any Offeror if its proposal was received late.

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

2.14 PACKAGING

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

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

2.15 AUTHORIZED SIGNATURE

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

2.16 EFFECTIVE PERIOD OF PROPOSAL

The proposal shall be binding upon the Offeror for ninety 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\$360,000, which is a fixed amount.

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

Each proposal must include the following:

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

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

3.1 EXECUTIVE SUMMARY

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

3.2 COMPANY INFORMATION

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

3.2.1 Company Profile

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

1. Firms' specific experience related to the assignment: 25 points maximum
 - 1.1. Firms' overall experience: 15 points
 - 1.2. Firms' Southeast Asia experience: 10 points
2. Adequacy of proposed work plan and methodology in response to the TOR: 25 points maximum
 - 2.1. Knowledge of proposed work and understanding of service: 10 points
 - 2.2. Appropriateness of proposed methodology and work plan: 15 points
3. Qualifications and competence of the key staff for the assignment: 25 points maximum
 - 3.1. Team Leader's experience in similar projects: 5 points
 - 3.2. Project Engineer's experience in similar projects: 5 points
 - 3.3. Mechanical Engineer's experience in similar projects: 5 points
 - 3.4. Electrical Engineer's experience in similar projects: 5 points
 - 3.5. Economist / Financial Analyst's experience in similar projects: 5 points
4. Past performance: 25 points maximum
 - 4.1. Six relevant and verifiable projects: 25 points
 - 4.2. Five relevant and verifiable projects: 20 points
 - 4.3. Four relevant and verifiable projects: 15 points
 - 4.4. Three relevant and verifiable projects: 10 points
 - 4.5. Two relevant and verifiable projects: 5 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

GERALD CAJUCOM, SENIOR MANAGER, BUSINESS DEVELOPMENT; FIRST GEN MINDANAO HYDRO POWER CORPORATION; 3/F BENPRES BUILDING, EXCHANGE ROAD CORNER, MERALCO AVE.; PASIG CITY 1600 PHILIPPINES; EMAIL: GTCAJUCOM@FIRSTGAS.COM.PH, TEL: +63 (2) 449.6216, FAX: +63 (2) 638.4706 / 631.3103.

FIRST GEN CABADBARAN RUN-OF-RIVER HYDROELECTRIC PROJECT

POC: Nina Patel, USTDA; 1000 Wilson Boulevard, Suite 1600; Arlington, VA 22209-3901; Tel: (703) 875-4357; Fax: (703) 875-4009. First Gen Cabadbaran Run-of-River Hydroelectric 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 First Gen Cabadbaran Run-of-River Hydroelectric Project.

First Gen Mindanao Hydro Power Corporation (FGMHPC), a subsidiary of the private power producer First Gen Corporation, has requested USTDA funding support to develop a 14-20 MW run-of-river hydropower project in the city of Cabadbaran in Agusan Del Norte province on the southern Philippine island of Mindanao. Through 2009, the Mindanao grid has suffered shortages as peak power demands exceed available power supplies and reserve margin. In response, the government has encouraged private power producers to pursue new deployment in Mindanao provinces. FGMHPC will use its vast experience from the operations and development of its First Gen-affiliated hydroelectric projects such as the 122-MW hydro plant in Luzon and a 1.6-MW plant in Bukidnon to complete the project .

FGMHPC has requested USTDA feasibility study funding support for the hydropower project to demonstrate its viability and secure necessary loan funding towards its completion. The study will include a hydrology study to establish long-term projected monthly flow and the flow duration curve for the Cabadbaran River, as well as a preliminary design for the project. The proposed feasibility study will help FGMHPC advance the hydropower project's implementation, with a target commissioning in 2014.

The proposed Feasibility Study would include: a pre-feasibility study review and update; hydrology investigation and analysis; geological and geotechnical assess and mapping; preliminary design for the project; cost estimating; leave-cost and economic sensitivity analysis; environmental and social/development impact assessment; legal, regulatory, and institutional review; financing options review; and a final report.

The U.S. firm selected will be paid in U.S. dollars from a \$360,000 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background definitional mission/desk study report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to:
<https://www.ustda.gov/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 Philippine Time, August 30, 2010** at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

ANNEX 2

BACKGROUND DESK STUDY REPORT



U.S. POWER CONSULT

130 West Pleasant Avenue, Suite 115

Maywood, NJ 07607

Tel (201) 767-6641

Fax: (201) 843-0895

www.USPowerConsult.com

info@USPowerConsult.com

SOLE SOURCE DESK STUDY

**PHILIPPINES – FIRSTGEN RUN-OF-RIVER SMALL
HYDROPOWER PROJECT REVIEW OF CHANGE IN
PROJECT SITE FROM TIMBABAN TO CABADBARAN**

(TDA-PO2010310005)

FINAL REPORT

March 2010



This report was funded by the U.S. Trade and Development Agency (USTDA), a foreign assistance 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 and policies of USTDA.

Mailing and Delivery Address: 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901
Phone: 703-875-4357 • **Fax:** 703-875-4009 • **Web site:** www.tda.gov • **email:** info@tda.gov



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.

Mailing and Delivery Address: 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901
Phone: 703-875-4357 • **Fax:** 703-875-4009 • **Web site:** www.tda.gov • **email:** info@tda.gov

U.S. POWER CONSULT (USPC) IS A FIRM, BASED IN NEW JERSEY, DEDICATED TO SERVING CLIENTS WORLDWIDE IN ENERGY-SECTOR PROJECT DEVELOPMENT, POWER ENGINEERING, PROJECT MANAGEMENT, AND CONSULTANCY SUPPORT. USPC IS STAFFED WITH SENIOR CONSULTANTS THAT HAVE INDIVIDUALLY ACCUMULATED OVER 15 YEARS IN THE US POWER AND ENERGY SECTORS COMPLEMENTED BY 10 OR MORE YEARS OF EXPERIENCE IN THE POWER SECTOR OF DEVELOPING COUNTRIES ACROSS THE WORLD.

IN THE POWER AND ENERGY SECTORS, USPC EXPERTISE COVERS THE FULL SPECTRUM OF TECHNICAL AREAS (GENERATION, TRANSMISSION, DISTRIBUTION, EFFICIENT UTILIZATION, RENEWABLE ENERGY, ETC), AS WELL AS SUPPORT IN ECONOMIC ANALYSIS, EQUIPMENT PROCUREMENT, EVALUATION OF BIDS, CONTRACTING, CONSTRUCTION OVERSIGHT AND GUIDANCE ON INSTITUTIONAL ISSUES.

All inquiries regarding this and other USPC projects should be sent via e-mail to INFO@USPowerConsult.com.

U.S. POWER CONSULT

130 WEST PLEASANT AVENUE
SUITE 115
MAYWOOD, NJ 07607
TEL (201) 767-6641
FAX: (201) 843-0895
www.USPowerConsult.com



This report was funded by the U.S. Trade and Development Agency (USTDA), a foreign assistance 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 and policies of USTDA.

Mailing and Delivery Address: 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901
Phone: 703-875-4357 • **Fax:** 703-875-4009 • **Web site:** www.tda.gov • **email:** info@tda.gov

Table of Contents

PHILIPPINES: FIRST GEN CABADBARAN RUN-OF-RIVER HYDROELECTRIC PROJECT1

<i>Summary</i>	1
<i>Project Description</i>	2
<i>Development Impact</i>	8
<i>Project Sponsor's Commitment</i>	9
<i>Implementation of Financing</i>	10
<i>U.S. Export Potential</i>	13
<i>Foreign Competition</i>	14
<i>Environmental Impact</i>	15
<i>Impact on U.S. Labor</i>	15
<i>Qualifications</i>	15
<i>Justification</i>	17
<i>Terms of Reference</i>	17
<i>Proposed Feasibility Study Schedule and Budget</i>	17
<i>Main Contacts</i>	21
APPENDIX – LETTER FROM THE OWNER	22



Philippines: First Gen Cabadbaran Run-of-River Hydroelectric Project

Summary

The 14 to 20 MW Cabadbaran Hydroelectric Power Project (“Project”) is located in the city of Cabadbaran in the province of Agusan Del Norte, Philippines and is a run-of-river hydropower scheme.

The projected annual energy that would be produced by the project is around 80,000-87,600 Megawatt-hours (“MWh”)¹ based on the pre-feasibility investigations for the project. Run-of-river hydropower involves the diversion of a specific amount of river flow from a higher elevation and transporting that diverted water through a water conduit called a headrace. The headrace preserves the elevation and channels the flow of the water to the forebay (i.e. impoundment area) and/or penstock (sluice, gate or pipe for regulating flow). The penstock, pipe usually made of steel, drops the water by several meters down to the powerhouse where a turbine-generator system converts the kinetic energy of the water into electrical energy. The water then flows out of the powerhouse through draft tubes and returns the water back to the river. No water will be consumed by the power plant at Cabadbaran. All of the water diverted to the powerhouse will be returned to the river through the tailrace.

The Cabadbaran hydropower project will serve to increase the electricity supply in the Philippines and improve system reliability to meet the electricity demand. The project will generate revenues from the sale of power to local users.

The project is being proposed by First Gen Corporation (“First Gen”), an experienced electricity producer in Philippines. The proposed feasibility study is required for project substantiation and securing the necessary funding. The grantee would be First Gen Mindanao Hydro Power Corporation (“FGMHPC”), a subsidiary of First Gen.

FGMHPC estimates that 100 new jobs will be generated during the plant construction followed by 10 new jobs for power plant operation. The project is expected to supply 14-20 MW of electricity. The project will be able to provide power to the equivalent of roughly 20,000-28,500 households. The overall project cost is estimated at \$55 million. U.S. exports could be at the \$0-17 million (0-43%) level. The feasibility study budget is estimated at \$360,000.

¹ Annual generation of 80,000 MWh is based on the assumption of a 14 MW plant with capacity factor of 65%. Annual generation of 87,600 MWh is based on the assumption of a 20 MW plant with capacity factor of 50%



Project Description

First Gen became involved in hydropower after the successful turnover of the 1.6 MW Agusan mini-hydropower plant, one of the privatized generation assets of the Philippines' National Power Corporation ("NPC") in Damilag (Manolo Fortich, Bukidnon), to its wholly-owned subsidiary First Gen Renewables Inc ("FGRI").

First Gen then embarked in the identification and assessment of the hydropower potentials of rivers in the Philippines in line with its strategy to grow its hydropower business. The studies identified Cabadbaran River as one of the rivers in the Mindanao region with an attractive potential for hydropower development.

The proposed power plant will have a capacity of 14-20 MW, depending on selected design and configuration. The annual power generation is estimated at around 80,000 – 87,600 MWh. Exhibit 1 below presents the details of the proposed project site.

Electricity distribution services in Mindanao are provided by five (5) distribution utilities ("DUs") and thirty-three (33) electric cooperatives ("ECs"). They provide low and medium voltage reticulation of electricity within towns and cities and provide direct connections to point loads such as factories and mines. Electricity supply, on the other hand, is being undertaken by the DUs, though NPC directly supplies 140 large customers to date.

Aside from the power drawn from the Mindanao system, Caraga Region (where the project is situated) is being supplied with 100 MW grid-connected generation by Power Barge 117 located in Agusan del Norte. This is supplemented by two mini-hydropower projects – Hinubasan, which generates 500kW and Sipangpang, which generates 10 MW of hydropower energy.

Cabadbaran Project is projected to be on line by 2014. Using a demand-supply analysis, an increase of capacity level to 2,341 MW is expected. Considered in the analysis are the net dependable capacities of existing power plants and cumulative plant additions of committed plants as reported to the Department of Energy ("DOE"). Exhibit 1 shows the capacity build-up until 2017.



Exhibit 1 – Capacity Build-Up in Mindanao

Capacity Build-Up

Indicators	2007 (actual)	2008	2009	2010	2011	2012	2013	2014	2016	2018	2017
Mindanao Peak Demand	1,241	1,325	1,372	1,431	1,493	1,552	1,613	1,693	1,763	1,844	1,932
Demand for Generation (incl. TRANSOC losses)	1,340	1,431	1,482	1,545	1,607	1,676	1,747	1,823	1,904	1,992	2,087
Capacity Level (MW)	1,682	1,682	1,725	1,745	2,205	2,291	2,291	2,341	2,341	2,341	2,341
Capacity Additions (MW)	0	0	43	20	461	86	0	50	0	0	0
Reserve Capacity (MW)	342	251	243	199	599	615	544	518	437	349	254
RM	25%	18%	16%	13%	37%	37%	21%	28%	23%	18%	12%
Surplus/Deficit at 21% RM	50	(80)	(66)	(126)	260	263	177	135	37	(65)	(184)
RM (without additions)	25%	18%	14%	9%	5%	0%	-4%	-6%	-12%	-16%	-19%

Supposing all power plants become operational as planned, Mindanao grid will have excess supply of about 135 MW of the required capacity and 21% reserve margin by 2014. However, it would be noted that only three plants, Sibulan, Cabulig and Mindanao 3, are the committed projects during the planning period and that at least 100 MW added capacity must be online by year 2009.

FGMHPC is considering CEPALCO and ANECO as the prospective off-takers of the proposed hydropower project. CEPALCO is the third largest distribution company in the Philippines while ANECO is among the best performing ECs and is consistently rated by the National Electrification Association (“NEA”) as an A+ cooperative. CEPALCO and ANECO’s peak demand are projected to be at the level of 189 MW and 58 MW, respectively, by the time the project is commissioned.

It is worth noting that the Philippine government, in an effort to reduce the dependence on imported and polluting fuels, has recently declared the policy to promote and utilize indigenous and renewable energy (“RE”) resources in power generation. A landmark legislation, the Renewable Energy Act of 2008 (RA 9513), was signed into law in December 2008 (the “RE Law”). The law provides stimulus for the development of renewable energy by offering fiscal and non-fiscal incentives to renewable energy developer as well as laying the framework for the development of RE sources, such as geothermal, solar, biomass, wind and hydropower. This development significantly reduces the barriers to entry of RE projects and increases the likelihood of success of such projects in the country.

Pursuant to the RE Law, RE developers are required to apply for the issuance of a renewable energy service contract (“RE Service Contract”), which now serves as the primary permit for developing renewable projects, to be granted the exclusive rights to explore, develop, and utilize RE resources for each particular project for a period of 25 years (renewable by another 25 years).



On October 23, 2009, the DOE awarded the RE service contract to FGMHPC thereby giving it the exclusive rights to explore, develop and utilize the Cabadbaran River for its Project.

In addition to the RE Service Contract, FGHMPC has also acquired the Water Permit from the National Water Resources Board for the Project. Endorsements from the barangay to city government of Cabadbaran, Agusan del Norte have been also acquired as part of the process of the application for the Water Permit. In December 2008, the NWRB issued a Conditional Water Permit which will be changed to a permanent and exclusive permit upon the submission of a Feasibility Study and an Environmental Compliance Certificate. FGMHPC is now working on accomplishing this requirement.

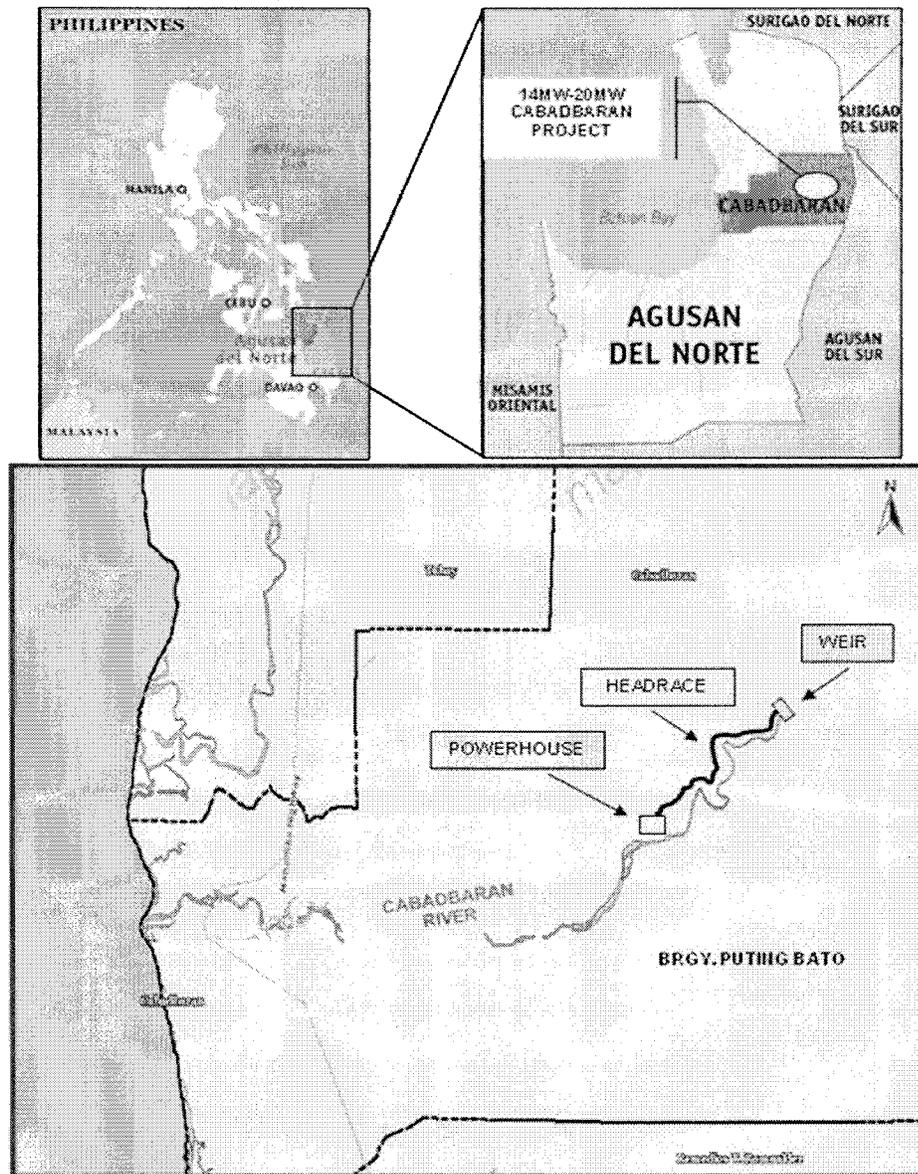
The project has gone through the first stage of FGMHPC's project development cycle which was the conduct of a rapid pre-feasibility study ("pre-FS") in 2007 and the application for the key permit - the Water Permit. With the Conditional Water Permit in place and the potential viability confirmed by the pre-FS, the project will now move to the next stage which is the conduct of the Feasibility Study ("FS"). Upon confirmation of project viability by the FS, the project will proceed to detailed engineering and design ("DED"), then to engineering procurement and construction ("EPC"). Total period estimated to cover FS, DED, and EPC is 50 months.

As the project owner, it is just FGMHPC which acquired the endorsements from the local government of Cabadbaran and the water rights from the National Water Resources Board ("NWRB"). Part of the process for acquiring these permits include posting of notices of the applications and conduct of public hearings to determine if there are oppositions to the project. There were no oppositions raised in the course of FGMHPC's application and in the public hearings conducted for these permits

Exhibit 2 provides the site details for the proposed project.



Exhibit 2 – Site Details



A hydroelectric power plant is composed of different structures, each of which plays a vital role in the overall performance of the plant. The proposed project has typical run-of-river components that include the following:

Weir -- A weir collects and conveys river water into the headrace of a run-of-the river power plant. It is primarily used to obstruct water flow and raise the water at sufficient height. The weir is built to develop a pond to allow diversion of the portion of the flow to the power plant through a headrace while allowing excess discharge including floods to



pass through. An energy dissipater or an apron is usually provided to prevent erosion downstream of the weir. Likewise, the weir is designated to avoid overturning and shear sliding. One of the most common types of weirs used in hydropower plants is the “ogee” type spillway, which is being considered for this project.

Headrace - A headrace conveys water from the intake to the forebay. Headraces are usually classified into two types: pressure-type and non-pressure-type. The cross section of a non-pressure type headrace is rectangular while a pressure-type headrace is usually circular in cross-section. For this study, the headrace was designed to follow the contour of the hillside to preserve the elevation of the diverted water. A non-pressure-type headrace was envisaged for the project, thus, a wide-range of single and double-barrel box culverts could be considered.

Forebay - A forebay is a pond-like structure at the top of the penstock to regulate fluctuations of water. It is set between the terminal of the headrace and penstock. The forebay submerges the penstock inlet and accommodates overflow and trash rack arrangements. It serves as a final settling basin and can provide enough storage to cope with water demands created by a sudden increase in loading on the turbine.

Penstock - A penstock is a pipe that conveys water under pressure through the shortest possible way from the forebay into the turbine in the powerhouse. Penstock, made of steel pipes, offers the highest technical and maintenance advantages. The thickness of the penstock depends on the pressure dictated by the available head.

Powerhouse - It houses the power-generating system – including the electro-mechanical equipment such as turbine, generator, control board and the auxiliary equipment.

Electro-mechanical Equipment - The turbine and generator setup are the main components here. A variety of turbines exist. The most commonly used turbine in hydropower plants is the Francis Turbine, which could handle up to 800 m of head.

Control System -- The operation and control of the hydropower plant will be made at the Central Control room, a one-man-control system. An automatic voltage regulator will be incorporated in the generator panel.

Tailrace - Tailrace structures consist of a discharge pit (or tail bay), a channel and the outlet. The tailrace channel guides the water discharge from the turbine back to the river. The cross section of open channel is rectangular. Reinforced concrete can be used for these structures.

The Philippine power sector has grown in the past years, from an installed capacity of 13,185 MW in 2000 to 15,937 MW in 2007. The increase is a direct result of the addition of state-owned and privately owned natural gas fired plants. Demand forecast by the DOE, indicates the growth in power generation will not fully supply the nation’s growing demand. The DOE’s Supplemental Power Development Plan (“PDP”) 2006-2014



indicates that the average annual demand growth rates for the period 2006-2014 are 4%, 5.7% and 6% for Luzon, Visayas and Mindanao Grids, respectively.

The PDP points out that with the estimated demand growths (with the committed additional capacity additions and plant retirements considered), the critical periods are 2010 for the Luzon Grid, 2011 for Visayas Grid and 2009 for Mindanao Grid. The critical period is when the projected peak power demand will exceed the sum of projected supply and reserve margin. This is the period where widespread and rotating power outages may need to be implemented on a regional scale. Thus, there is an urgent need to address this anticipated gap between power demand and supply.

In line with the country's goal for energy independence, the government has encouraged private power producers to help fast track the development of new power plants especially those using indigenous energy resources and clean and renewable technologies.

One such technology is hydropower. The benefits of constructing a hydropower plant make it relatively attractive as compared to the use of fossil fuels in generating electricity. Of great advantage is its ability to produce renewable energy, thereby providing power without depleting the world's resources. It is also beneficial to the environment since there is no carbon dioxide or other harmful gases emitted by the plant. In support of developing this local energy resource, First Gen conducted pre-feasibility studies on a number of potential hydroelectric power sites in the southern part of the Philippines.

Results of the pre-feasibility studies show that Cabadbaran River has a good hydropower potential. Once operational, the Project will also have a positive impact on the local socioeconomic structure and conditions. This is helped by a provision in the DOE's Energy Regulation 1-94 ("ER 1-94"), which mandates power generators to set aside PhP 0.01 per kWh of electricity sales to be used for financing projects that will benefit the host communities. This financial support is intended for the host communities' local electrification, reforestation, watershed management, livelihood programs, health and/or environmental enhancement projects. Furthermore, the production of electricity by the Cabadbaran Project will have no significant negative environmental impacts related to air emissions (SO_x, NO_x, TSP, CO, CO₂), ash pond disposal, fugitive volatile organic compound release, etc., which result from fossil fuel fired power sources.

For properly designed run-of-river hydropower plants, the only significant environmental impacts are effects on local aquatic and terrestrial fauna and flora and shifts in the accumulation of silt from suspended particulate matter in the river water. Geological and geohazard issues are addressed at the beginning, as a screening process, to determine the viability of the site and this is not expected to be a problem by the utility.

To expand on the above -- Small hydro power projects are considered to be among the cleanest energy sources. During the estimated 3-year construction period, impacts to the



environment such as siltation of the river during the construction of the weir, vehicular pollution from pieces of heavy equipment and trucks, noise and dust from construction vehicles will be present. All these are considered manageable, short-lived and temporary. An environmental plan will be in place to mitigate the effects of these activities during construction.

The operations of the power plant, on the other hand, will not have any significant impact to the environment. The handful of minor activities that could impact the environment are properly managed by:

- Proper storage of lubricants;
- Proper disposal of solid waste and domestic wastewater in accordance with standards and procedures set by the Department of Environment and Natural Resources; and
- Observance of good occupational health and safety practices

The rate of water flow that will be diverted for the power plant is also subject to the riparian water flow limits set by the NWRB to ensure that the communities dependent on the river flow will continue to benefit from the use of the river.

Development Impact

Infrastructure -- The Project will be used to provide power at competitive prices and reduce the grid's dependence on expensive foreign supplied petroleum-based fuels for power. The project is expected to be about 14-20 MW. The project will be able to provide power to roughly over 20,000-28,500 households.

Human Capacity Building -- The proposed power plant will have significant job creation impact as well. The construction of the plant will require temporary manpower, both skilled and unskilled, with a maximum of 100 qualified persons at any one time during peak of construction. Preference will be given to hiring qualified local residents.

Employment opportunities will be made available for technical, administrative, and security people during the commercial operation phase. The average number of personnel envisioned at the operating plant will be 10.

Other - Assuming 80,000 to 87,600 MWh of electricity are produced by a hydropower plant (such as Cabadbaran) instead of from coal, for example, the CO₂ avoided emissions are estimated at 72,000 or 78,840 tons per year.

The proposed project can be considered a rural electrification project. The remote location will strengthen the electricity grid and reduce transmission losses. It will also provide more power to be distributed in the area where more electrification is highly desired.



As in other projects under the First Gen group, the project would be expected to include programs that promote sustainable development of the communities in and around the project locations. These include:

- Employment of skilled and unskilled workers from the community during the 3-year construction program;
- Benefit from the Corporate Social Responsibility of FGMHPC during project development, construction and commercial operation in the form of:
 - Livelihood assistance
 - Electrification programs
 - Health programs
 - Watershed protection programs
 - Sharing of access road
- Benefit directly from tax payments from the project:
 - Educational fund: 50% of 1% of gross revenue
 - Municipal Fund for other projects: 50% of 1% of gross revenue
 - Realty taxes
 - DOE 1-94 fund for electrification, health and other programs: Php 0.01/kWh

Project Sponsor's Commitment

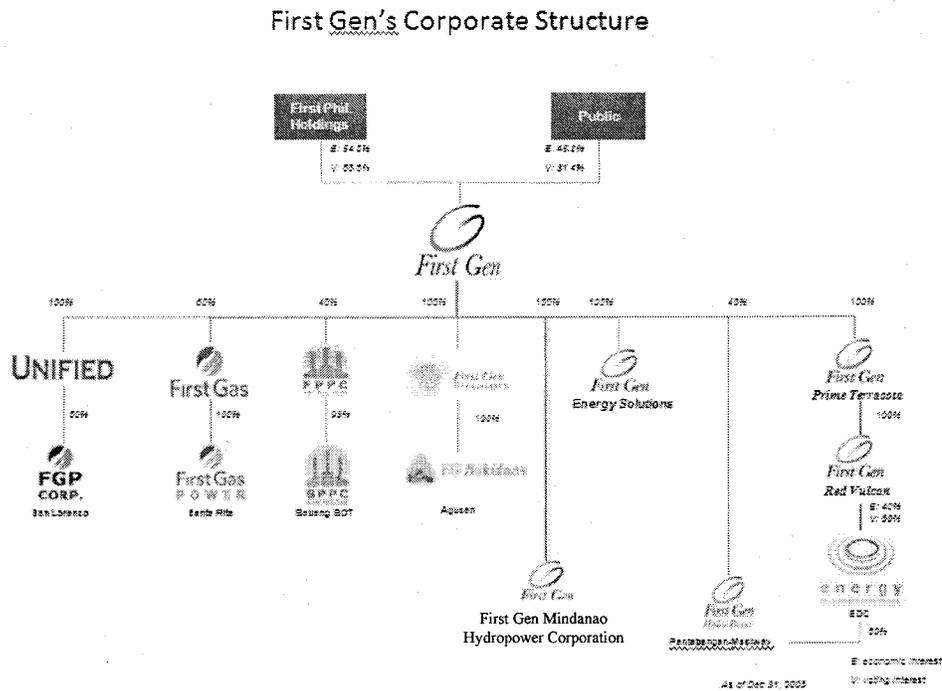
First Gen is one of the largest Filipino-owned and controlled independent power producer ("IPP") in the Philippines with an installed capacity of 3,047 MW, accounting for approximately 20% of total installed capacity in the country, 93% of which is employing clean and renewable technologies (natural gas, geothermal, and hydro).

First Gen was incorporated in December 1998 to become the primary holding company for the power generation and energy-related businesses of the Lopez Group of companies, a Philippine conglomerate that has been in the power generation and distribution business for the past 40 years. First Gen is a leading power plant developer combining technical experience and financial strength that ensures project execution. As a world-class energy company, First Gen's Management System is certified to the standards of ISO 9001:2000 (Quality Management).

In 2006, First Gen incorporated its wholly-owned subsidiary First Gen Mindanao Hydro Power Corporation (FGMHPC) to pursue the development of hydropower projects in Mindanao. One of these prospects is the proposed Cabadbaran run-of-river hydroelectric project. It was registered with the Securities and Exchange Commission on September 19, 2006. FGMHPC will be the Grantee under this project. Exhibit 3 provides the details of the First Gen's corporate structure.



Exhibit 3 – First Gen’s Corporate Structure



First Gen’s projects have demonstrated to have strong contractual frameworks that provide predictable cash flow streams and mitigate risks. The 1,000MW Santa Rita and the 500MW San Lorenzo power plants have power purchase agreements, generating dividends averaging \$68 million annually.

The company has grown from 42MW of power assets to 3,047MW. First Gen management shows significant expertise and knowledge of greenfield development, merger and acquisition activities, and industry dynamics.

In brownfields, First Gen won four assets from the Power Sector Asset and Liabilities Management Corporation’s (PSALM) privatization process - the 112MW Pantabangan/Masiway Hydroelectric Complex (PMHC) (which First Gen has now increased to 122MW), the 1.6MW Agusan Hydroelectric Power Plant (AHPP), the 744MW geothermal assets of Energy Development Corporation and the recently acquired 192.5 MW Palinpinon and 112.5 MW Tongonan geothermal power plants.

The city endorsement and conditional water rights from NWRB have already been obtained in May 2008 and December 2008, respectively. The project owner is currently working on the acquisition of the Environmental Compliance Certificate (“ECC”).

Implementation of Financing

Since the Project is still in its early stages, First Gen has not confirmed its financing sources. However, First Gen is looking at various sources including balance sheet



financing, non-recourse financing, funding from the Philippine government-owned Development Bank of the Philippines (“DBP”) and multilateral institutions such as the Asian Development Bank (“ADB”) and the International Finance Corporation (“IFC”), or combination of sources that can lower the cost of funding. First Gen has current working relationships with significant amount of private banks and multilateral institutions.

First Gen’s past greenfield projects were project financed. This project is envisioned to be financed the same way as the past projects. Local and international banks are planned to be tapped for the loan.

Following are the target terms of the project’s financing:

- Debt to Equity Ratio: 70%:30%
- Debt Term: 10 years
- Grace Period 24 months
- Upfront Fee 1.0%
- Commitment Fee 0.5%
- Repayment Equal Semi-Annual

First Gen financials are healthy enough to support a project of this size on balance sheet or non-recourse basis. Following Exhibit 4 provides high-level view of First Gen income statement and balance sheet.

Exhibit 4 – First Gen Financial Highlights

FIRST GEN CORPORATION AND SUBSIDIARIES			
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME			
(Amounts in U.S. Dollars and in Thousands, Except per Share Data)			
	For The Nine Months Period Ended September 30		
	2009	2008 (As restated)	2007 (As restated)
REVENUE			
Sale of electricity	\$763,678	\$953,215	\$737,564
Mark-to-market gain on derivatives – net	-	13,000	-
Interest	5,293	5,956	23,402
Equity in net earnings of associates	-	3,177	4,436
Others	2,944	25,672	8,130
	<u>771,915</u>	<u>999,020</u>	<u>773,532</u>
COSTS AND EXPENSES			
Fuel cost	(510,554)	(697,122)	(485,603)
Depreciation and amortization	(40,450)	(40,540)	(37,519)
Power plant operations and maintenance	(27,886)	(28,633)	(25,764)
Staff costs	(6,552)	(7,921)	(7,126)
Other administrative expenses	(25,638)	(30,209)	(24,774)
Equity in net losses of associates	(11,797)	-	-
Interest expense and financing charges	(34,258)	(72,606)	(49,465)
Foreign exchange loss – net	(2,909)	-	(4,615)
Mark-to-market loss on derivatives – net	(1,287)	-	-
Others	-	(288)	-
	<u>60,584</u>	<u>121,701</u>	<u>136,626</u>
INCOME BEFORE INCOME TAX			
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	33,997	35,379	15,885
Deferred	(4,725)	10,565	(6,779)
	<u>29,272</u>	<u>45,944</u>	<u>9,106</u>
NET INCOME FROM CONTINUING OPERATIONS (Note 3)	<u>31,312</u>	<u>75,457</u>	<u>127,526</u>
NET INCOME FROM DISCONTINUED OPERATIONS (Note 3)	<u>41,961</u>	<u>55,426</u>	<u>23,585</u>
NET INCOME	<u>\$73,273</u>	<u>\$130,883</u>	<u>\$151,111</u>



Exhibit 4 – First Gen Financial Highlights (Continued)

FIRST GEN CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 (Amounts in U.S. Dollars and in Thousands)

	September 30, 2009 (Unaudited)	December 31, 2008 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	\$195,794	\$229,647
Receivables - net (Notes 6 and 19)	119,369	176,815
Current portion of long-term receivables	10,503	68,181
Available-for-sale (AFS) investment	-	14,194
Inventories (Note 7)	40,278	76,206
Derivative asset	-	12,923
Other current assets (Note 8)	26,522	49,508
	392,486	627,474
Noncurrent assets held for sale	-	38,067
Total Current Assets	392,486	665,541
Noncurrent Assets		
Long-term receivables - net of current portion	-	652,831
Investment in associates	941,849	29,958
Property, plant and equipment - net	572,044	736,262
Goodwill	9,866	962,854
Intangible assets (Note 9)	9,036	338,797
Deferred tax assets	10	71,794
Other noncurrent assets (Note 10)	249,712	248,840
Total Noncurrent Assets	1,781,737	3,032,335
	\$2,174,223	\$3,697,877
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable (Note 11)	\$-	\$200,461
Accounts payable and accrued expenses (Note 12)	133,178	183,755
Income tax payable	7,996	1,838
Due to stockholders and affiliates (Note 13)	6,850	7,056
Current portion of:		
Bonds payable (Note 13)	105,155	-
Long-term debt (Note 14)	47,046	518,101
Obligations to Gas Sellers	9,378	36,695
Royalty fee payable	-	35,528
Deferred payment facility with Power Sector Assets and Liabilities Management (PSALM)	-	9,579
Obligations to power plant contractors	-	2,354
Derivative liabilities	-	1,142
Total Current Liabilities	309,603	996,508
Noncurrent Liabilities		
Bonds payable - net of current portion (Note 13)	\$272,462	\$362,978
Long-term debt - net of current portion (Note 14)	715,169	1,073,285
Deferred payment facility with PSALM - net of current portion	-	51,709
Retirement and other post-retirement liability	1,500	24,899
Deferred tax liabilities	16,865	39,036
Derivative liabilities - net of current portion	41,131	59,861
Other noncurrent liabilities (Note 15)	90,416	80,190
Total Noncurrent Liabilities	1,147,243	1,682,958
Equity Attributable to Equity Holders of the Parent (Note 16)		
Redeemable preferred stock	9,572	9,572
Common stock	29,034	20,624
Additional paid-in capital	319,624	319,530
Deposits for future stock subscription	110,091	-
Equity reserves	(28,383)	(28,383)
Share in other comprehensive income of associates	(139,391)	-
Cumulative translation adjustments	-	(136,645)
Accumulated unrealized gain on AFS investments	-	382
Retained earnings	345,151	354,137
Cost of preferred and common stock held in treasury	(72,962)	(89,557)
	571,746	458,660
Minority Interest	144,631	559,751
Total Equity	717,277	1,018,411
	\$2,174,223	\$3,697,877

The Consultant discussed this project with the Asian Development Bank (ADB) that provides development funding for investment projects concentrating in power, transportation, fishing, agriculture, and the environment. Based in Consultant discussions with ADB, the Bank is very open to environmentally friendly power investments. ADB



confirmed interest in funding small hydro projects in the region. Both the World Bank, through the International Finance Corporation (IFC) and the ADB, through the Private Sector Group, offer both debt and equity for private sector projects. A good private company standing, such as First Gen's, only enhances the chances of the project being funded or co-funded by ADB.

U.S. Export Potential

Most of the export potential for the implementation of this project is in the procurement of hydropower turbines, substation equipment, instrumentation and control systems, and construction and engineering services. The overall estimated project cost (w/o construction contingency) is about \$55 million for 14-20MW plant. U.S. exports could be at the \$0-17 million (0-43%) level. It should be noted that this project can be fully sourced outside of the U.S. Exhibit 5 shows the approximate breakdown of major equipment cost and share of U.S. exports.

Exhibit 5 – Project Budget Estimate and Share of U.S. Exports

Major Equipment/Services	Approximate Total Cost	U.S. Exports (U.S. Competitiveness)
Power Project	\$52 million	\$15 million
- Hydropower Turbines and Components	\$18 million	\$5 million (good)
- Electrical, Controls and Other	\$8 million	\$5 million (excellent)
- Construction	\$26 million	\$5 million (poor to good)
Engineering and Design	\$3 million	\$2 million (Excellent)
Total Value (w/o Contingency)	\$55 million	\$17 million

Source: USPC Estimate

No detailed cost estimate exists for the project, only summary estimates, which were developed during the pre-feasibility effort. USPC in general believes that these estimates are reasonable and in line with USPC own estimate as provided above.

While First Gen has about 124MW of hydropower capacity in its portfolio, none of these were developed as greenfield. However, First Gen has a proven track record in developing other major greenfield projects:

- a. 225 MW Bauang Power Plant
 Location: Bauang, La Union, Philippines
 COD: 1995
 OEM: Wartzilla
 Technology: ZAV40S x 21 units
 EPC Contractor: Wartzilla
 Build-Operate-Transfer: For transfer to the government in 2010



b. Santa Rita 1000MW CCGT
Location: Sta. Rita, Batangas City, Philippines
COD: August 2000
OEM: Siemens
Technology: V84.3A x 4 units
EPC Contractor: Siemens
Build-Operate-Own

c. San Lorenzo 500MW CCGT
Location: Sta. Rita, Batangas City, Philippines
COD: October 2002
OEM: Siemens
Technology: V84.3A x 2 units
EPC Contractor: Siemens
Build-Operate-Own

d. Tabangao-to-Santa Rita (“TSR”) 8.5km (24-inch) Natural Gas Pipeline
Location: Batangas City, Philippines
COD: June 2000
EPC Contractor: McConnell Dowell of Australia
Ownership Transferred to: SPEX/Chevron/PNOC-EC

Foreign Competition

In general, U.S. manufacturers are considered to be competitive in the design, manufacture, and implementation of the proposed project scope. However, geographical location may result in serious competition to U.S. companies in Philippines. First Gen has indicated some familiarity with U.S. equipment, especially in areas of fossil-fired machinery, controls, communications, and automation.

Major foreign competitors in the hydropower energy market include amongst others:

- Toshiba (Japan)
- Voith Siemens (Germany);
- Sulzer Hydro Ltd. (Switzerland);
- Moller Undenas Turbin AB (Sweden);
- Wasserkraft Volk AG – WKV (Germany);
- Alstom (France);
- Pompes RITZ France SAS (France);
- CITIC Heavy Machinery Company Ltd. (China);
- Andritz VA TECH Hydro (Austria);
- Bouving Fouress Limited (India);



- Dongfang Electric Corporation (China);
- Harbin Power Equipment Company (China);
- Norcan Hydraulic Turbines Inc. (Canada);
- Kharkov Turbogenerator Plant “Turboatom” (Ukraine); and
- LMZ (Russia).

Environmental Impact

The project is expected to have a significant positive effect on the environment. Currently, large thermal plants are considered to be major sources of air pollution in the Philippines. Due to the nature of the technology, the proposed hydropower plant has no emissions. Implementation of the hydro power plant (HPP) is estimated by the Consultant to result in annual avoidance of 18-20 thousand tons of coal and associated 45,000 tons of CO₂ emissions. The construction of the plant will require the appropriate environmental assessment study, currently being conducted for Environmental Compliance Certificate (ECC). The study is also required if the Owner decides to pursue ADB or any other international lending agency funding. The study will address all major issues associated with the construction of a hydropower facility of this size, such as flooding, resettlement, migratory fish control, archeological surveying, water quality, and other issues.

FGMHPC

Impact on U.S. Labor

Positive impacts are expected as a result in the event U.S. exporters succeed in obtaining contracts for equipment and services if the project goes forward.

No adverse impact is expected from the execution of the proposed project. Its significant export potential would assure the bulk of the production of major goods in the U.S. and their export to host country. No significant permanent new job creation detrimental to US labor is expected.

Qualifications

Owner

First Gen has a proven track record in developing new and maintaining acquired power assets. The company has been the leading developer of natural-gas fired plants in the Philippines on a project finance basis without sovereign guarantees. First Gen has also gained years of experience in hydropower technology with its acquisition of 112MW PMHC (which First Gen has now increased to 122MW) and the 1.6MW AHPP. This combination of project development expertise and technical experience should ensure



successful project execution.

First Gen’s financial position for 2006-08 has been as shown in Exhibit 6:

Exhibit 6 – First Gen Financial Position

	2006 (in US\$ millions)	2007 (in US\$ millions)	2008 (in US\$ millions)
EBITDA	273	312	588
Net Income	92	105	93
Net Debt	251	2,052	1,682

Prior to the November 2008 Santa Rita refinancing project, the gas plants paid down the remaining US\$547 million in ADB debt from its original outstanding amount of US\$906 million.

U.S. Contractor

In the event that USTDA provides grant funds for technical assistance, the selection of a contractor to perform the study should be based on the following:

Professional Experience (40%) – Each bidder will propose a project team that is fully qualified to execute the entire study scope of work. The proposed staff should have qualifications and experience in:

- Experience and capability to perform feasibility studies for the proposed scope of work. Experience in the region, preferably in Philippines.
- Demonstration of understanding of all tasks. Proposal efforts should be responsive to requirements outlined in the Scope of Work.
- The proposed Work Plan should be detailed, realistic, and manageable. Clear objectives should be achieved at the end of all tasks.
- The proposed staff should have qualifications and experience in engineering, technical analysis, operations planning and modeling, environmental assessments, as well as excellent technical knowledge of hydropower units, substations, and appropriate software and hardware. Experience with utility or independent power producer clients would be beneficial.

Experience with utility or independent power producer clients would be beneficial. Qualified bidder will provide evidence of satisfactorily executing at least two similar projects in the last 10 years. The bidder shall highlight the similarities between the past experience and the proposed project.



International Experience (30%) – Each bidder shall exhibit international experience and capability to perform feasibility studies in the region, with preference given to Philippines. Qualified bidder shall provide evidence of satisfactory executing at least one international project of similar nature and complexity in the last 10 years.

Proposed Work Plan (30%) – Each bidder shall demonstrate understanding of all project tasks. Proposal efforts should be responsive to requirements outlined in the Scope of Work and RFP. The proposed Work Plan should be detailed, realistic, and manageable. Clear objectives should be achieved at the end of all tasks.

Justification

The project will help to adding generating capacity to the Philippines grid in a time of urgent need and will do so by utilizing renewable energy.

From the company perspective, the bulk of First Gen's portfolio of power plant assets is concentrated in the Luzon area. Part of the Company's medium term goals is to increase its presence in the Mindanao and Visayas regions by developing more power plants in areas where the power crisis is apparent. Moreover, First Gen's current thrust is to develop power plants that use clean and renewable platforms. Thus, the proposed Cabadbaran hydroelectric power project, located in the Mindanao region which needs capacity additions, is a priority.

The project offers significant U.S. export potential and would likely be financed. The Owner is willing to allow U.S. companies to compete for contracts during project implementation. Overall, the proposed project fits the profile for USTDA support for promotion of market participation and U.S. firms export promotion.

Terms of Reference

The Terms of Reference can be found in the signed grant agreement for this study effort.

Proposed Feasibility Study Schedule and Budget

The proposed project implementation schedule is presented in the Exhibit 7 below. The duration of the total effort is estimated at 6 months with most tasks being accomplished sequentially.

Exhibit 7 – Project Schedule



No.	Task Name	Duration (days)	Months						
			1	2	3	4	5	6	
1.	Pre-Feasibility Study Review	15	■						
2.	Hydrology Investigation	40		■	■				
3.	Geological and Geotechnical Assessment and Mapping	50		■	■	■			
4	Preliminary Design	30			■	■			
5	Least-Cost Analysis and Sensetivities	15			■	■			
6	Cost Estimating	20			■	■			
7	Environmental and Social/Development Impact Assessment	15				■	■		
9	Legal, Regulatory, and Institutional Review	10				■	■		
8.	Financing Options Review	20				■	■		
10	Draft Final and Final Reports Preparation and Presentation	25						■	■

The recommended feasibility study budget is provided below in Exhibit 8. A detailed breakdown by task and discipline is provided for labor. Average U.S. rates for the industry were used. The budget also breaks down other necessary expenses, such as travel, miscellaneous, insurance, fee, etc. The total budget for this project is estimated to be \$360,000.



Exhibit 8 – Feasibility Study Budget

DIRECT LABOR COSTS:

TOR Task	TOR Task Name	Contractor Labor			
		Total Person Days	x Daily Rate*	= TOTAL COST	
1.	Pre-Feasibility Study Review	Project Manager	2 \$	1,442.00 \$	2,884.00
		Geological Engineer	5 \$	1,442.00 \$	7,210.00
		Mechanical Engineer(s)	5 \$	962.00 \$	4,810.00
		Civil Engineer(s)	5 \$	962.00 \$	4,810.00
		Environmental Specialist(s)	5 \$	1,442.00 \$	7,210.00
		TOTALS	22		\$ 26,924.00
2.	Hydrology Investigation	Project Manager	5 \$	1,442.00 \$	7,210.00
		Mechanical Engineer(s)	2 \$	962.00 \$	1,924.00
		Hydrologist	15 \$	1,442.00 \$	21,630.00
		Civil Specialist(s)	5 \$	962.00 \$	4,810.00
		Finance/Econ. Specialist(s)	2 \$	1,442.00 \$	2,884.00
		Environmental Specialist(s)	2 \$	1,442.00 \$	2,884.00
		TOTALS	31		\$ 41,342.00
3.	Geological and Geotechnical Assessment and Mapping	Project Manager	5 \$	1,442.00 \$	7,210.00
		Geological/Geotech/Hydrologist	20 \$	1,442.00 \$	28,840.00
		Civil Specialist(s)	5 \$	962.00 \$	4,810.00
		Various Engineer(s)	10 \$	962.00 \$	9,620.00
		Environmental Specialist(s)	2 \$	1,442.00 \$	2,884.00
TOTALS	42		\$ 53,364.00		
4.	Preliminary Design	Project Manager	2 \$	1,442.00 \$	2,884.00
		Mechanical Engineer(s)	10 \$	962.00 \$	9,620.00
		Electrical/I&C Engineer(s)	5 \$	962.00 \$	4,810.00
		Civil Specialist(s)	10 \$	962.00 \$	9,620.00
		Environmental Specialist(s)	2 \$	1,442.00 \$	2,884.00
		TOTALS	29		\$ 29,818.00
5.	Least-Cost Analysis and Sensetivities	Project Manager	2 \$	1,442.00 \$	2,884.00
		Finance/Econ. Specialist(s)	5 \$	1,442.00 \$	7,210.00
		Modeling Specialist(s)	5 \$	962.00 \$	4,810.00
		Mechanical Engineer(s)	3 \$	962.00 \$	2,886.00
		Electrical Engineer(s)	3 \$	962.00 \$	2,886.00
		Cost Estimator	3 \$	817.00 \$	2,451.00
TOTALS	21		\$ 23,127.00		
6.	Cost Estimating	Project Manager	2 \$	1,442.00 \$	2,884.00
		Finance/Econ. Specialist(s)	2 \$	1,442.00 \$	2,884.00
		Civil Specialist(s)	2 \$	962.00 \$	1,924.00
		Mechanical Engineer(s)	2 \$	962.00 \$	1,924.00
		Electrical Engineer(s)	2 \$	962.00 \$	1,924.00
		I&C Engineer(s)	2 \$	962.00 \$	1,924.00
		Cost Estimator	7 \$	817.00 \$	5,719.00
		TOTALS	19		\$ 19,183.00
7.	Environmental and Social/Development Impact Assessment	Project Manager	2 \$	1,442.00 \$	2,884.00
		Finance/Econ. Specialist(s)	3 \$	1,442.00 \$	4,326.00
		Environmental Specialist(s)	7 \$	1,442.00 \$	10,094.00
		Cost Estimator	2 \$	817.00 \$	1,634.00
TOTALS	14		\$ 18,938.00		
9.	Legal, Regulatory, and Institutional Review	Project Manager	2 \$	1,442.00 \$	2,884.00
		Legal Advisor(s)	5 \$	1,923.00 \$	9,615.00
		Institutional Specialist(s)	5 \$	1,442.00 \$	7,210.00
		TOTALS	12		\$ 19,709.00



Exhibit 8 – Feasibility Study Budget (Continued)

9	Financing Options Review	Project Manager	2	\$ 1,442.00	\$ 2,884.00
		Finance/Econ. Specialist(s)	10	\$ 1,442.00	\$ 14,420.00
		Modeling Specialist(s)	2	\$ 962.00	\$ 1,924.00
		Legal Advisor(s)	2	\$ 1,923.00	\$ 3,846.00
		TOTALS	16		\$ 23,074.00
10	Draft Final and Final Reports Preparation and Presentation	Project Manager	5	\$ 1,442.00	\$ 7,210.00
		Finance/Econ. Specialist(s)	3	\$ 1,442.00	\$ 4,326.00
		Modeling Specialist(s)	1	\$ 962.00	\$ 962.00
		Civil Specialist(s)	3	\$ 962.00	\$ 2,886.00
		Mechanical Engineer(s)	5	\$ 962.00	\$ 4,810.00
		Electrical Engineer(s)	2	\$ 962.00	\$ 1,924.00
		I&C Engineer(s)	2	\$ 962.00	\$ 1,924.00
		Environmental Specialist(s)	3	\$ 1,442.00	\$ 4,326.00
		Cost Estimator	2	\$ 817.00	\$ 1,634.00
		TOTALS	26		\$ 30,002.00
TOTAL CONTRACTOR LABOR		232.00		285,481.00	

TOR Task	TOR Task Name		Non-Employee Labor		
			Total Person Days x	Daily Rate**	= TOTAL COST
1.	Pre-Feasibility Study Review	Local Specialists	10	\$ 300.00	\$ 3,000.00
2.	Hydrology Investigation	Local Specialists	30	\$ 300.00	\$ 9,000.00
3.	Geological and Geotechnical Assessment and Mapping	Local Specialists	50	\$ 300.00	\$ 15,000.00
4.	Preliminary Design	Local Specialists	20	\$ 300.00	\$ 6,000.00
5.	Least-Cost Analysis and Sensetivities	Local Specialists	5	\$ 300.00	\$ 1,500.00
6.	Cost Estimating	Local Specialists	10	\$ 300.00	\$ 3,000.00
7.	Environmental and Social/Development Impact Assessment	Local Specialists	20	\$ 300.00	\$ 6,000.00
9.	Legal, Regulatory, and Institutional Review	Local Specialists	5	\$ 450.00	\$ 2,250.00
8.	Financing Options Review	Local Specialists	5	\$ 350.00	\$ 1,750.00
10.	Draft Final and Final Reports Preparation and Presentation	Local Specialists	5	\$ 300.00	\$ 1,500.00
TOTAL HOST COUNTRY LABOF			160.00		\$ 49,000.00
TOTAL DIRECT LABOR COSTS					\$ 334,481.00

OTHER DIRECT COSTS:

	Tasks			TOTAL COST
<u>Purchased Services/Contracts***</u>	N/A			
<u>Travel</u>		<u>Trips</u>	<u>Trip Cost</u>	<u>Total Cost</u>
International Air Travel		5	\$ 2,500.00	\$ 12,500.00
In Country Air Travel		5	\$ 500.00	\$ 2,500.00
Ground Transportation		5	\$ 250.00	\$ 1,250.00
		<u>Trip Days</u>	<u>Per Diem Rate</u>	
Per Diem		25	\$ 237.00	\$ 5,925.00
Other (local travel, etc.)				\$ 1,000.00
<u>Other</u>				
Reproduction and Binding				\$ 344.00
Courier Services				\$ 500.00
Communication				\$ 1,500.00
TOTAL OTHER DIRECT COSTS				\$ 25,519.00
TOTAL COSTS (DIRECT LABOR COSTS + OTHER DIRECT COSTS)				\$ 360,000.00
Total U.S. Company Cost Share				
PROPOSED USTDA GRANT				\$ 360,000.00

* Primary Contractor (Employee) Labor Costs = Salary + Overhead + Benefits (No Fee or Profit)

** Non-Employee Labor Cost = Salary + Overhead + Benefits + Reasonable Fee or Profit

*** Purchased Services/Contracts may include engineering drawings, lab work, surveys, translation, etc. which would not be included in Non-Employee L.



Main Contacts

Mr. Gerald T. Cajucom
Senior Manager
First Gen Corporation
Mobile: +63 917 842 7718 Tel. (632)449-6216
E-mail: gtcajucom@firstgas.com.ph

and

Mr. Jerome H. Cainglet
Vice President
First Gen Corporation
Tel: (632)449-6236
E-mail: jhcainglet@firstgas.com.ph



Appendix – Letter from the Owner



First Gen Corporation
3F Benpres Building, Exchange Road corner Mericao Avenue, 1508 Pasig, Metro Manila, Philippines
Tel: +63 (2) 449 6406; Fax: +63 (2) 633 1951 / www.firstgen.com.ph

22 January 2010

USTDA
1000 Wilson Boulevard,
Suite 1600, Arlington,
Virginia 22209 -1901

Attn: Ms. Diana Rossiter
Country Manager
(e-mail: drossiter@ustda.gov)

Dear Ms. Rossiter:

In behalf of First Gen Mindanao Hydro Power Corporation ("FGMHPC"), I would like to express our thanks to USTDA for considering the feasibility study of the Cabadbaran Run-of-River Hydropower Project ("Project") for a grant. FGMHPC intends to build and operate the proposed 14 - 20 MW Project in Cabadbaran, Agusan del Norte in the island of Mindanao, Philippines. FGMHPC's plan is to use efficient and environment-friendly run-of-river hydroelectric facility with the following key features: 1) horizontal Francis type of turbine, 2) non-pressure type of headrace, 3) latest turbine-generator configuration, and 4) state-of-the-art SCADA power plant control system. We believe that this combination will result in a very cost effective operation. The proposed Project will ease the projected power supply problem in Northern Mindanao in the near term.

We are also pleased to inform USTDA that FGMHPC is considering procurement of major equipment for the Project on the basis of sole sourcing or competitive bidding (i.e. factoring best reliable performance, lowest cost and expected operational life cycle, among others) based on offers from manufacturers representing worldwide sources including offers, we hope, from US manufacturers.

We look forward to working with the USTDA.

Sincerely,


Jerome H. Cainglet
Vice President
First Gen Corporation
3F Benpres Bldg., Exchange Road,
Pasig City, Philippines

Cc:

US Power Consult (Attn. Mr. C. R. Guerra)

ANNEX 3

USTDA NATIONALITY REQUIREMENTS



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

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

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

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

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

NATIONALITY:

1) Rule

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

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

2) Application

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

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

3) Definitions

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

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

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

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

SOURCE AND ORIGIN:

1) Rule

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

2) Application

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

3) Definitions

“Source” means the country from which shipment is made.

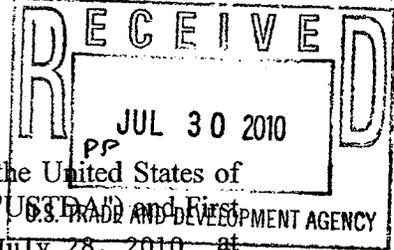
“Origin” means the place of production, through manufacturing, assembly or otherwise.

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

ANNEX 4
GRANT AGREEMENT

Philippines 2010-31039A

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 First Gen Mindanao Hydro Power Corporation ("Grantee") on July 28, 2010 at US Embassy, Mla. USTDA agrees to provide the Grantee under the terms of this Agreement US\$360,000 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed First Gen Cabadbaran Run-of-River Hydroelectric Project ("Project") in the Philippines ("Host Country").

DR
HS
PA
JJ
MB
PD
NP

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
JW
PD

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 to provide reasonable logistic and administrative support for the Contractor, such as local transportation, office space, and secretarial support unless otherwise provided by USTDA's grant funding as outlined in Annex I - Terms of Reference. The Grantee has also agreed to cover the cost of geological and geotechnical drilling and testing as outlined in Task 3 of the Terms of Reference.

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 written 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 shall, or cause the Contractor to, 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 February 12, 2012, 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, as provided under applicable U.S. Government regulations.

(B) Marine

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

11. Nationality, Source and Origin

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

12. Taxes

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

13. Cooperation Between Parties and Follow-Up

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

14. Implementation Letters

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

15. Recordkeeping and Audit

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

16. Representation of Parties

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by the President. 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: Nestor H. Vasay
Vice President and Comptroller Finance
First Gen Corporation

3/F Benpres Building, Exchange Road Corner
Meralco Avenue, Pasig City 1600 Philippines

Phone: +63-2-449-6234
Fax: +63-2-635-2322
Email: nhvasay@firstgas.com.ph

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.: 2010-31039A
Reservation No.: 2010310058
Grant No.: GH2010310017

18. Termination Clause

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

19. Non-waiver of Rights and Remedies

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

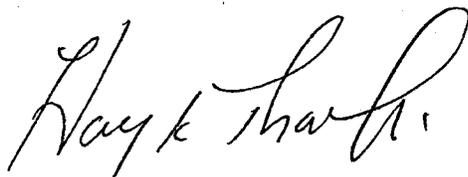
20. U.S. Technology and Equipment

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Government of the United States of America and First Gen Mindanao Hydro Power Corporation, 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**



Harry K. Thomas, Jr.
United States Ambassador to
The Philippines

**For First Gen Mindanao Hydro Power
Corporation**

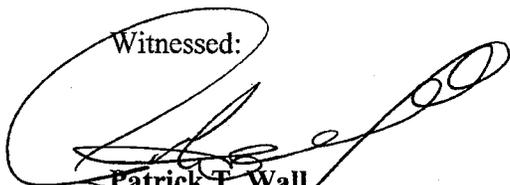


Mr. Francis Giles P. Puno
President
First Gen Mindanao Hydro Power
Corporation

Date: July 28, 2010

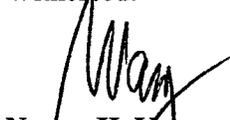
Date: July 28, 2010

Witnessed:



Patrick T. Wall
U.S. Commercial Counselor
U.S. Embassy Manila

Witnessed:



Nestor H. Vasay
Vice President
First Gen Mindanao Hydro Power
Corporation

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex I

Terms of Reference

The Caraga Region in Agusan Del Norte province, where the proposed Project is located, has experienced rotating brownouts since early 2008. The region is supplied by a 100MW grid-connected Power Barge 117 located in Agusan del Norte and other sources on the larger Mindanao grid, and supplemented by two small hydropower plants of 500kW in Hinubasan and 10MW in Sipangpang. The development of the Cabadbaran Project would significantly help ease supply issues in the Caraga Region, and help to strengthen the power system integrity of the Mindanao grid.

The Contractor shall conduct a feasibility study (Study) to determine the viability of the proposed run-of-river Project and identify potential sources of Project financing. The Study will include a hydrology study to establish long-term projected monthly flow and the flow duration curve for the Cabadbaran River, as well as a preliminary design for the Project. In carrying out the Study, the Contractor shall review and analyze all issues related to the Project including Project sizing, siting, recommended technology selection, economic viability, environmental impacts, institutional/regulatory issues, and financing options. The proposed Study shall help the Grantee advance the hydropower Project's implementation, with a target commissioning in 2014. The Grantee, with support from the Contractor, shall regularly notify and update the Philippine Department of Energy of the progress of the Study. The Grantee shall provide such updates subject to the requirements of the Renewable Energy Service Contract between the Grantee and Department of Energy.

Task 1 – Pre-Feasibility Study Review and Update

The Contractor shall review, validate and update the pre-feasibility study (dated June , 2008), provided by the Grantee, identifying areas where the pre-feasibility study needs further analysis. Specifically, the Contractor shall update the pre-feasibility study plant capacity and structural designs as well as the viability, feasibility and constructability of the proposed Project structures based on results of drilling work, geological mapping, and geotechnical field investigation conducted in Task 3.

Based on the review of the pre-feasibility study the Contractor shall provide written analysis addressing the following, at a minimum:

- Hydrological assessment of data and information;
- Projected hydrology and energy generation estimates up to 50 years;
- Location of civil structures, including but not limited to: diversion weir, headrace, powerhouse. The Contractor shall recommend locations for these structures to keep capital expenditure cost low, maximize capacity and energy generation and address environmental or aesthetic considerations. Although there is only one Project site, the Contractor shall review at least three (3) alternative locations for civil structures; and,

- Project size and equipment configuration to maximize energy generation.

Deliverable: The Contractor shall provide an updated and revised Pre-Feasibility Study Report.

Task 2 – Hydrology Investigation and Analysis

The Contractor shall conduct a Hydrology Assessment to establish a long-term (at least 50 years) projected monthly flow and Flow Duration Curve for Cabadbaran River. The Contractor shall use the flood flow to determine the design and type of the civil structures needed for the Project. The Contractor shall:

- Review and determine the catchment area and assess the watershed condition;
- Review and determine the existing and projected condition of forest cover and recommended forest conservation schemes;
- Review and analyze river flow and rainfall data;
- Prepare an analysis of 50 years of projected water flow;
- Generate a Flow Duration Curve based on 50 years of projected water flow;
- Install river and rain gauges to confirm water flow projections. The Grantee shall provide the river gauges; and,
- Review and determine the projected siltation rate.

Deliverable: The Contractor shall provide a complete Hydrology Assessment for the Project including all data and analysis performed under this Task.

Task 3 – Geological and Geotechnical Assessment and Mapping

The Contractor shall identify and quantify all risks associated with seismic movements and volcanic activity at the identified Project site. The Contractor shall collect all data pertaining to the geological and geotechnical nature of the Project site. The Contractor shall:

- Review and analyze existing geologic data provided by the Grantee;
- Conduct drilling and soil testing to determine sub-surface soil condition, at the Project site for the dam, water conveyance route, forebay, surge tank and powerhouse; and,
- Conduct Drilling/Boring and Test Pitting.

Note: The Grantee shall provide funding to cover the cost of the necessary drilling and testing equipment to complete this task. USTDA's Grant funding shall only be used to cover the cost of Contractor labor for this effort.

3.1. Drilling/Boring The Contractor, in cooperation with the Grantee, shall conduct the following drilling and test boring for the Project ensuring full compliance with local permit requirements for these tests:

Location	No. of Boreholes
Weir	3
Powerhouse	2
Penstock	2
Surge Tank	2
Headrace	To be determined and will be subject to Variation Order ("VO")

Each Borehole shall have a depth of 10 meters. If 10 meters are reached and hard strata is not yet encountered, the Contractor shall inform the Grantee of (i) the need to increase borehole depth and, (ii) the corresponding cost of increasing the depth per linear meter, which shall be the basis of VO. Such increased cost, if any, shall be borne by the Grantee.

Note: The Contractor shall - in cooperation and with the assistance of the Grantee - acquire all permits necessary for drilling/boring. The permits may include, but not be limited to: (a) Drilling Permit from the Municipal Engineer's Office and (b) Mayor's Permit.

3.2 Test Pitting The Contractor, in cooperation with the Grantee shall conduct a Test Pit every 500 meters starting from the Weir site up to the powerhouse site for a total of ten (10) Test Pits.

3.3. Topographic Survey and Map The Contractor shall perform a topographic survey and provide a contour topographic map depicting prospective locations for the Project structures, recommending and providing an analysis to justify the best site for each Project structure/component. The Contractor shall also verify the Project structures elevations. The topographic survey shall include, at a minimum

Locations/Sites	Area to be surveyed
- Weir + Headrace	-Weir + Headrace (5109 meter headrace length x 20-meter ROW width)
-Powerhouse+ Penstock	-(Powerhouse + 138 meter penstock length) x 20-meter ROW width
- Access Roads	- (Access road length x 20-meter ROW width)

The Contractor shall prepare a land ownership database or registry based on where the Project components will be constructed as well as a parcellary map (1) of the affected area of weir, headrace, forebay, surge tank, penstock and powerhouse; and (2) of the area within 10-meter (20-meter ROW) from centerline of headrace.

Deliverable: The Contractor shall analyze the data collected at the Project site and prepare a detailed geological and Geotechnical Assessment including all data and analysis performed under this Task. The Contractor shall provide recommendations on how to mitigate any geological risks identified that will impact the Project and

implementation. The Contractor shall also provide the Topographic Survey Analysis and accompanying maps.

Task 4 – Preliminary Design

The Contractor shall prepare a preliminary design for the Project. The preliminary design shall include all necessary Project components and facilities. The Contractor shall provide drawings depicting civil structural dimensions and equipment sizes, specifications and layout. The Contractor shall not provide a detailed engineering and design (DED) under this Terms of Reference; the preliminary design will be used by the Grantee to proceed with the next stage of Project development, upon completion of the Study which includes the DED.

The Contractor shall:

- Recommend optimum power plant capacity and equipment configuration;
- Recommend design parameters for the civil structures, incorporating maximum flood flow assumptions;
- Prepare concept designs/drawings of the civil structures (weir, headrace, forebay and settling basin, surge tank, penstock, powerhouse, tailrace, switchyard);
- Finalize headrace route and alignment, and proposed design (dimensions and type of structure);
- Finalize transmission line route alignment providing specifications and drawings.
- Conduct a transmission line/interconnection assessment using the analysis and Project information collected and provided. The assessment shall be based on the 1:50,000 maps;
- Determine the accessibility of the proposed plant to the power grid and the feasibility of injecting the Project's output to the grid through the interconnection point or substation of the grid / nearest utility;
- Conceptualize equipment layout and switchyard design and controls;
- Submit alternatives and recommend sizes, specifications (e.g. efficiency curves) of alternative supplier/manufacturer of generating equipment, control system and switchyard facilities;
- Identify and list prospective U.S. sources of supply in accordance with Clause I of Annex II of the Grant Agreement. The Contractor shall summarize the capabilities, provide the contact information, and principal points of contact for each of the suppliers;
- Recommend interconnection scheme for all components of the Project;
- Describe operation and maintenance requirements, projecting downtimes due to maintenance works, annual degradation and up-rating after overhauls; and,
- Conduct interconnection study including identification of route for the transmission line.

Deliverable: The Contractor shall provide a Preliminary Design for the Project including all data and analysis performed under this Task.

Task 5 – Cost Estimating and Project Implementation Schedule

The Contractor shall prepare a cost estimate required to implement the Project. The cost estimate shall include an estimated cost of the following:

- Supply of materials
- Labor
- Detailed Engineering and Design
- Tendering
- Civil works
- Electro-mechanical
- Transport of materials and equipment
- Transmission line and interconnection
- Project and construction management
- Site and Right of Way
- Permits
- Insurances
- Environmental Assessments
- Logistics and contingencies

The Contractor shall also prepare a detailed Project implementation schedule starting with the Detailed Engineering and Design ending at Project commissioning.

Deliverable: The Contractor shall provide a detailed Cost Estimate including a description of the accounting used to arrive at the estimates as well as a Project Implementation Schedule.

Task 6 – Least-Cost and Economic Sensitivity Analysis

The Contractor shall conduct a Least-Cost Analysis over the life of the Project for the Project development options, including the Preliminary design options identified in Task 4. The Contractor shall compare the costs of energy produced by the Project relative to the cost of energy produced by similar alternatives available.

The Contractor shall conduct an economic sensitivity analysis of the Project options reflecting possible variations in interest rates and equipment costs.

The Contractor shall conduct a projected analysis of the net energy generated on a monthly basis for the commercial life of the Project. This analysis shall account for expected station use, line losses, scheduled maintenance, forced downtimes, and degradation.

The Contractor shall provide financial projections, including balance sheets, income and cash flow statements, using current and acceptable market assumptions.

Deliverable: The Contractor shall provide a Least-Cost Analysis, Economic Sensitivity, Net Energy Generation Analysis and Financial Projections. The Contractor shall describe these findings and recommend the best Project development plan.

Task 7 - Environmental and Social/Development Impact Assessment

The Contractor shall develop an environmental management plan in accordance with the requirements of the Philippine Department of Environment and Natural Resources ("DENR"), which shall include as a minimum the following:

- Air quality and noise level measurement;
- Water quality;
- Terrestrial Ecology;
- Aquatic Ecology;
- Socio-Economics/Human Resources;
- Engineering Assessment;
- Geological and Geo-Hazard Assessment;
- Environmental Risk Assessment;
- Occupational Health and Safety Assessment; and,
- Resettlement Plan.

The Contractor shall not prepare a full Environmental Impact Assessment as part of these Terms of Reference.

The Contractor shall provide a report on the potential social and development impacts of the Project in the Host Country. In the report, the Contractor shall focus on what the economic development outcomes will be if the Project is implemented according to the Study recommendations. While specific focus should be paid to the immediate impact of the Project, the Contractor shall include, all additional developmental benefits of the Project, including spin-off and demonstration effects. The analysis of potential benefits of the Study shall be as concrete and detailed as possible. The social and development impact factors are intended to provide the Project's decision-makers and interested parties with a broader view of the potential effects on the host country. The Contractor shall provide estimates of the Project's potential benefits in the following areas:

- Infrastructure: a statement on the infrastructure impact giving a brief synopsis (e.g., new installed capacity built, additional power generated in GWh/year).
- Market-Oriented Reform: a description of any regulations, laws, or institutional changes that are recommended and the effect they would have if implemented.
- Human Capacity Building: a description of the number and type of positions that would be needed to construct and operate the Project, number of people that will be needed to process construction materials, as well as the number of people who will receive training and a brief description of the training program.

- Technology Transfer and Productivity Enhancement: a description of any advanced technologies that will be implemented as a result of the Project. A description of any efficiency that will be gained (e.g. savings in generation costs or lower production costs per KWh).
- Other: any other developmental benefits to the Project, including spin-off or demonstration effects.

Deliverable: The Contractor shall provide an environmental management plan as well as a report of the Project's expected environmental, social and development impacts.

Task 8 - Legal, Regulatory, and Institutional Review

The Contractor shall review the existing Host Country Energy Law, permitting requirements, local building requirements, and constraints that include right-of-way and zoning ordinances, that need to be considered for Project implementation. The Contractor shall specifically review, at a minimum:

- Republic Act ("R.A.") 9513 (Renewable Energy Act of 2008);
- Department of Energy Circulars on the Implementation of R.A. 9513;
- R.A. 8371 (Indigenous Peoples' Rights Act);
- Revised Procedural Manual of the DENR;
- Administrative Order No. 30 series of 2003 (DAO 2003 - 30); and,
- National Water Resources Board Regulations on Water Permit Issuances.

Deliverable: The Contractor shall provide (i) a written analysis of the legislation and regulation reviewed, (ii) recommendations to address the concerns identified, and (iii) next steps needed to implement the Project.

Task 9 - Financing Options Review

The Contractor shall identify and analyze financing options for Project implementation taking into account local, regional, and international financing options which include multilateral, private, and or government funding. The Contractor shall:

- Prepare financial plans and determine and recommend the financing structure for the Project;
- Identify potential funding sources for all components of the Project;
- Prepare a Project Information Memorandum and obtain written expressions of interest, on behalf of the Grantee, from at least two interested donors/lenders or selected credit agencies;
- Verify current terms and conditions for each potential funding source, listing the criteria that the Grantee must fulfill following the completion of this Study; and,
- Prepare and provide a detailed pro-forma analysis of tariffs required to sustain the Project.

Deliverable: The Contractor shall prepare a detailed Financing Options Report for the Grantee and organizations with potential interest in financing the Project.

Task 10 – Draft Final and Final Report Preparation and Presentation

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 First Gen Mindanao Hydro Power Corporation ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the feasibility study ("Study") for the First Gen Cabadbaran Run-of-River Hydroelectric Project ("Project") in the Philippines ("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, 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 February 12, 2012, 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.: 2010-31039A
Reservation No.: 2010310058
Grant No.: GH2010310017

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

Annex I

Terms of Reference

The Caraga Region in Agusan Del Norte province, where the proposed Project is located, has experienced rotating brownouts since early 2008. The region is supplied by a 100MW grid-connected Power Barge 117 located in Agusan del Norte and other sources on the larger Mindanao grid, and supplemented by two small hydropower plants of 500kW in Hinubasan and 10MW in Sipangpang. The development of the Cabadbaran Project would significantly help ease supply issues in the Caraga Region, and help to strengthen the power system integrity of the Mindanao grid.

The Contractor shall conduct a feasibility study (Study) to determine the viability of the proposed run-of-river Project and identify potential sources of Project financing. The Study will include a hydrology study to establish long-term projected monthly flow and the flow duration curve for the Cabadbaran River, as well as a preliminary design for the Project. In carrying out the Study, the Contractor shall review and analyze all issues related to the Project including Project sizing, siting, recommended technology selection, economic viability, environmental impacts, institutional/regulatory issues, and financing options. The proposed Study shall help the Grantee advance the hydropower Project's implementation, with a target commissioning in 2014. The Grantee, with support from the Contractor, shall regularly notify and update the Philippine Department of Energy of the progress of the Study. The Grantee shall provide such updates subject to the requirements of the Renewable Energy Service Contract between the Grantee and Department of Energy.

Task 1 – Pre-Feasibility Study Review and Update

The Contractor shall review, validate and update the pre-feasibility study (dated June , 2008), provided by the Grantee, identifying areas where the pre-feasibility study needs further analysis. Specifically, the Contractor shall update the pre-feasibility study plant capacity and structural designs as well as the viability, feasibility and constructability of the proposed Project structures based on results of drilling work, geological mapping, and geotechnical field investigation conducted in Task 3.

Based on the review of the pre-feasibility study the Contractor shall provide written analysis addressing the following, at a minimum:

- Hydrological assessment of data and information;
- Projected hydrology and energy generation estimates up to 50 years;
- Location of civil structures, including but not limited to: diversion weir, headrace, powerhouse. The Contractor shall recommend locations for these structures to keep capital expenditure cost low, maximize capacity and energy generation and address environmental or aesthetic considerations. Although there is only one Project site, the Contractor shall review at least three (3) alternative locations for civil structures; and,

- Project size and equipment configuration to maximize energy generation.

Deliverable: The Contractor shall provide an updated and revised Pre-Feasibility Study Report.

Task 2 – Hydrology Investigation and Analysis

The Contractor shall conduct a Hydrology Assessment to establish a long-term (at least 50 years) projected monthly flow and Flow Duration Curve for Cabadbaran River. The Contractor shall use the flood flow to determine the design and type of the civil structures needed for the Project. The Contractor shall:

- Review and determine the catchment area and assess the watershed condition;
- Review and determine the existing and projected condition of forest cover and recommended forest conservation schemes;
- Review and analyze river flow and rainfall data;
- Prepare an analysis of 50 years of projected water flow;
- Generate a Flow Duration Curve based on 50 years of projected water flow;
- Install river and rain gauges to confirm water flow projections. The Grantee shall provide the river gauges; and,
- Review and determine the projected siltation rate.

Deliverable: The Contractor shall provide a complete Hydrology Assessment for the Project including all data and analysis performed under this Task.

Task 3 – Geological and Geotechnical Assessment and Mapping

The Contractor shall identify and quantify all risks associated with seismic movements and volcanic activity at the identified Project site. The Contractor shall collect all data pertaining to the geological and geotechnical nature of the Project site. The Contractor shall:

- Review and analyze existing geologic data provided by the Grantee;
- Conduct drilling and soil testing to determine sub-surface soil condition, at the Project site for the dam, water conveyance route, forebay, surge tank and powerhouse; and,
- Conduct Drilling/Boring and Test Pitting.

Note: The Grantee shall provide funding to cover the cost of the necessary drilling and testing equipment to complete this task. USTDA's Grant funding shall only be used to cover the cost of Contractor labor for this effort.

3.1. Drilling/Boring The Contractor, in cooperation with the Grantee, shall conduct the following drilling and test boring for the Project ensuring full compliance with local permit requirements for these tests:

Location	No. of Boreholes
Weir	3
Powerhouse	2
Penstock	2
Surge Tank	2
Headrace	To be determined and will be subject to Variation Order ("VO")

Each Borehole shall have a depth of 10 meters. If 10 meters are reached and hard strata is not yet encountered, the Contractor shall inform the Grantee of (i) the need to increase borehole depth and, (ii) the corresponding cost of increasing the depth per linear meter, which shall be the basis of VO. Such increased cost, if any, shall be borne by the Grantee.

Note: The Contractor shall - in cooperation and with the assistance of the Grantee - acquire all permits necessary for drilling/boring. The permits may include, but not be limited to: (a) Drilling Permit from the Municipal Engineer's Office and (b) Mayor's Permit.

3.2 Test Pitting The Contractor, in cooperation with the Grantee shall conduct a Test Pit every 500 meters starting from the Weir site up to the powerhouse site for a total of ten (10) Test Pits.

3.3. Topographic Survey and Map The Contractor shall perform a topographic survey and provide a contour topographic map depicting prospective locations for the Project structures, recommending and providing an analysis to justify the best site for each Project structure/component. The Contractor shall also verify the Project structures elevations. The topographic survey shall include, at a minimum

Locations/Sites	Area to be surveyed
- Weir + Headrace	-Weir + Headrace (5109 meter headrace length x 20-meter ROW width)
-Powerhouse+ Penstock	-(Powerhouse + 138 meter penstock length) x 20-meter ROW width
- Access Roads	- (Access road length x 20-meter ROW width)

The Contractor shall prepare a land ownership database or registry based on where the Project components will be constructed as well as a parcellary map (1) of the affected area of weir, headrace, forebay, surge tank, penstock and powerhouse; and (2) of the area within 10-meter (20-meter ROW) from centerline of headrace.

Deliverable: The Contractor shall analyze the data collected at the Project site and prepare a detailed geological and Geotechnical Assessment including all data and analysis performed under this Task. The Contractor shall provide recommendations on how to mitigate any geological risks identified that will impact the Project and

implementation. The Contractor shall also provide the Topographic Survey Analysis and accompanying maps.

Task 4 – Preliminary Design

The Contractor shall prepare a preliminary design for the Project. The preliminary design shall include all necessary Project components and facilities. The Contractor shall provide drawings depicting civil structural dimensions and equipment sizes, specifications and layout. The Contractor shall not provide a detailed engineering and design (DED) under this Terms of Reference; the preliminary design will be used by the Grantee to proceed with the next stage of Project development, upon completion of the Study which includes the DED.

The Contractor shall:

- Recommend optimum power plant capacity and equipment configuration;
- Recommend design parameters for the civil structures, incorporating maximum flood flow assumptions;
- Prepare concept designs/drawings of the civil structures (weir, headrace, forebay and settling basin, surge tank, penstock, powerhouse, tailrace, switchyard);
- Finalize headrace route and alignment, and proposed design (dimensions and type of structure);
- Finalize transmission line route alignment providing specifications and drawings.
- Conduct a transmission line/interconnection assessment using the analysis and Project information collected and provided. The assessment shall be based on the 1:50,000 maps;
- Determine the accessibility of the proposed plant to the power grid and the feasibility of injecting the Project's output to the grid through the interconnection point or substation of the grid / nearest utility;
- Conceptualize equipment layout and switchyard design and controls;
- Submit alternatives and recommend sizes, specifications (e.g. efficiency curves) of alternative supplier/manufacturer of generating equipment, control system and switchyard facilities;
- Identify and list prospective U.S. sources of supply in accordance with Clause I of Annex II of the Grant Agreement. The Contractor shall summarize the capabilities, provide the contact information, and principal points of contact for each of the suppliers;
- Recommend interconnection scheme for all components of the Project;
- Describe operation and maintenance requirements, projecting downtimes due to maintenance works, annual degradation and up-rating after overhauls; and,
- Conduct interconnection study including identification of route for the transmission line.

Deliverable: The Contractor shall provide a Preliminary Design for the Project including all data and analysis performed under this Task.

Task 5 – Cost Estimating and Project Implementation Schedule

The Contractor shall prepare a cost estimate required to implement the Project. The cost estimate shall include an estimated cost of the following:

- Supply of materials
- Labor
- Detailed Engineering and Design
- Tendering
- Civil works
- Electro-mechanical
- Transport of materials and equipment
- Transmission line and interconnection
- Project and construction management
- Site and Right of Way
- Permits
- Insurances
- Environmental Assessments
- Logistics and contingencies

The Contractor shall also prepare a detailed Project implementation schedule starting with the Detailed Engineering and Design ending at Project commissioning.

Deliverable: The Contractor shall provide a detailed Cost Estimate including a description of the accounting used to arrive at the estimates as well as a Project Implementation Schedule.

Task 6 – Least-Cost and Economic Sensitivity Analysis

The Contractor shall conduct a Least-Cost Analysis over the life of the Project for the Project development options, including the Preliminary design options identified in Task 4. The Contractor shall compare the costs of energy produced by the Project relative to the cost of energy produced by similar alternatives available.

The Contractor shall conduct an economic sensitivity analysis of the Project options reflecting possible variations in interest rates and equipment costs.

The Contractor shall conduct a projected analysis of the net energy generated on a monthly basis for the commercial life of the Project. This analysis shall account for expected station use, line losses, scheduled maintenance, forced downtimes, and degradation.

The Contractor shall provide financial projections, including balance sheets, income and cash flow statements, using current and acceptable market assumptions.

Deliverable: The Contractor shall provide a Least-Cost Analysis, Economic Sensitivity, Net Energy Generation Analysis and Financial Projections. The Contractor shall describe these findings and recommend the best Project development plan.

Task 7 - Environmental and Social/Development Impact Assessment

The Contractor shall develop an environmental management plan in accordance with the requirements of the Philippine Department of Environment and Natural Resources ("DENR"), which shall include as a minimum the following:

- Air quality and noise level measurement;
- Water quality;
- Terrestrial Ecology;
- Aquatic Ecology;
- Socio-Economics/Human Resources;
- Engineering Assessment;
- Geological and Geo-Hazard Assessment;
- Environmental Risk Assessment;
- Occupational Health and Safety Assessment; and,
- Resettlement Plan.

The Contractor shall not prepare a full Environmental Impact Assessment as part of these Terms of Reference.

The Contractor shall provide a report on the potential social and development impacts of the Project in the Host Country. In the report, the Contractor shall focus on what the economic development outcomes will be if the Project is implemented according to the Study recommendations. While specific focus should be paid to the immediate impact of the Project, the Contractor shall include, all additional developmental benefits of the Project, including spin-off and demonstration effects. The analysis of potential benefits of the Study shall be as concrete and detailed as possible. The social and development impact factors are intended to provide the Project's decision-makers and interested parties with a broader view of the potential effects on the host country. The Contractor shall provide estimates of the Project's potential benefits in the following areas:

- Infrastructure: a statement on the infrastructure impact giving a brief synopsis (e.g., new installed capacity built, additional power generated in GWh/year).
- Market-Oriented Reform: a description of any regulations, laws, or institutional changes that are recommended and the effect they would have if implemented.
- Human Capacity Building: a description of the number and type of positions that would be needed to construct and operate the Project, number of people that will be needed to process construction materials, as well as the number of people who will receive training and a brief description of the training program.

- Technology Transfer and Productivity Enhancement: a description of any advanced technologies that will be implemented as a result of the Project. A description of any efficiency that will be gained (e.g. savings in generation costs or lower production costs per KWh).
- Other: any other developmental benefits to the Project, including spin-off or demonstration effects.

Deliverable: The Contractor shall provide an environmental management plan as well as a report of the Project's expected environmental, social and development impacts.

Task 8 - Legal, Regulatory, and Institutional Review

The Contractor shall review the existing Host Country Energy Law, permitting requirements, local building requirements, and constraints that include right-of-way and zoning ordinances, that need to be considered for Project implementation. The Contractor shall specifically review, at a minimum:

- Republic Act ("R.A.") 9513 (Renewable Energy Act of 2008);
- Department of Energy Circulars on the Implementation of R.A. 9513;
- R.A. 8371 (Indigenous Peoples' Rights Act);
- Revised Procedural Manual of the DENR;
- Administrative Order No. 30 series of 2003 (DAO 2003 - 30); and,
- National Water Resources Board Regulations on Water Permit Issuances.

Deliverable: The Contractor shall provide (i) a written analysis of the legislation and regulation reviewed, (ii) recommendations to address the concerns identified, and (iii) next steps needed to implement the Project.

Task 9 - Financing Options Review

The Contractor shall identify and analyze financing options for Project implementation taking into account local, regional, and international financing options which include multilateral, private, and or government funding. The Contractor shall:

- Prepare financial plans and determine and recommend the financing structure for the Project;
- Identify potential funding sources for all components of the Project;
- Prepare a Project Information Memorandum and obtain written expressions of interest, on behalf of the Grantee, from at least two interested donors/lenders or selected credit agencies;
- Verify current terms and conditions for each potential funding source, listing the criteria that the Grantee must fulfill following the completion of this Study; and,
- Prepare and provide a detailed pro-forma analysis of tariffs required to sustain the Project.

Deliverable: The Contractor shall prepare a detailed Financing Options Report for the Grantee and organizations with potential interest in financing the Project.

Task 10 – Draft Final and Final Report Preparation and Presentation

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 First Gen Mindanao Hydro Power Corporation ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the feasibility study ("Study") for the First Gen Cabadbaran Run-of-River Hydroelectric Project ("Project") in the Philippines ("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, 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 February 12, 2012, 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.: 2010-31039A
Reservation No.: 2010310058
Grant No.: GH2010310017

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 6

COMPANY INFORMATION

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: _____