REQUEST FOR PROPOSALS

FEASIBILITY STUDY FOR THE CEARA NEW CARGO AIRPORT

Submission Deadline: **1:00 PM LOCAL TIME**

THURSDAY, DECEMBER 2, 2010

Submission Place: Cristiane Peres
Agencia de Desenvolvimento do Estado do Ceará
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Brazil

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

REQUEST FOR PROPOSALS

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

ANNEX 1	FEDBIZOPPS ANNOUNCEMENT
ANNEX 2	BACKGROUND 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$480,000 to the Agency for Development of the State of Ceara (the "Grantee") in accordance with a grant agreement dated April 30, 2010 (the "Grant Agreement"). USTDA will fund the costs of a feasibility study ("Study") for the proposed Ceara New Cargo Airport Project ("Project") in Brazil ("Host Country"). The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Feasibility Study.

1.1 BACKGROUND SUMMARY

The state of Ceara's economy is the third largest in Brazil's Northeast region, with a GDP that nearly doubled between 2002 and 2008. The state has 8.2 million inhabitants, with 2.5 million people living in the capital of Fortaleza. The total amount of agricultural cargo, alone, in Ceara has reached 295,645 tons in 2009 and is expected to reach 558,279 tons by 2015. However, the existing infrastructure in Ceara is not able to meet the state's growing cargo demand.

The runway at the Pinto Martins International Airport is simply not long enough to support cargo flights and there is no room to add cargo capability. Additionally, the airport has limited connectivity with Ceara's main port, the Port of Pecem. Brazil's two main cargo airports are located in the southeast of the country. As such, most air cargo traffic in the Northeast is rerouted through Sao Paulo in the Southeast, which is a 3 ½ hour flight from Fortaleza. This not only increases transportation costs for most goods, but also increases risk for perishable products.

The objective of the Study is to establish an implementation plan for a new air cargo facility that will complement the expansion currently underway at the port and increase the efficiency of air cargo. A new cargo airport would provide the infrastructure necessary to allow for a greater number of direct routes to and from Ceara and foster multimodality between the port, rail and road systems. ADECE is the State Government agency responsible for implementing policies and projects that foster industrial, commercial, and technological development in the state. A background Definitional Mission is provided for reference in Annex 2.

1.2 OBJECTIVE

Among the broad objectives of the feasibility study are to: provide a market analysis that will determine the most likely products and clients for the new facility and establish a Master Plan based on identified demand. 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$480,000. **The USTDA grant of $US480,000 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$480,000 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 Ceara New Cargo Airport Project.

2.2 DEFINITIONS

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

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

2.3 DEFINITIONAL MISSION REPORT

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

2.4 EXAMINATION OF DOCUMENTS

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

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

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

2.5 PROJECT FUNDING SOURCE

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US$480,000.

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 Portuguese and English.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

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

Cristiane Peres
Agencia de Desenvolvimento do Estado do Ceará
Avenida Barão de Studart, 598 - Meireles
Fortaleza, CE 60120-000
Brazil

Phone: 011 55 (85) 3244-7980
adece@adece.ce.gov.br
cristiane@adece.ce.gov.br

An Original in English and Portuguese, one (1) copy in each language, and one (1) digital copy your proposal must be received at the above address no later than 1:00 pm (local time), on December 2, 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 **in English and Portuguese, one (1) copy in each language**, and one (1) digital copy should be collectively wrapped and sealed, and clearly labeled.

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

2.15 AUTHORIZED SIGNATURE

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

2.16 EFFECTIVE PERIOD OF PROPOSAL

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

2.17 EXCEPTIONS

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

2.18 OFFEROR QUALIFICATIONS

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

2.19 RIGHT TO REJECT PROPOSALS

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

2.20 PRIME CONTRACTOR RESPONSIBILITY

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of any subcontractors. USTDA nationality provisions apply to the use of subcontractors and are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all of the applicable USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

2.21 AWARD

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received and, in all cases, the Grantee will be the judge as to whether a proposal has or has not satisfactorily met the requirements of this RFP.

2.22 COMPLETE SERVICES

The successful Offeror shall be required to (a) provide local transportation, office space and secretarial support required to perform the TOR if such support is not provided by the Grantee; (b) provide and perform all necessary labor, supervision and services; and (c) in accordance with best technical and business practice, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete the TOR to the satisfaction of the Grantee and USTDA.

2.23 INVOICING AND PAYMENT

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. After the Grantee's approval of each invoice, the Grantee will forward the invoice to USTDA. If all of the requirements of USTDA's Mandatory Contract Clauses are met, USTDA shall make its respective disbursement of the grant funds directly to the U.S. firm in the United States. All payments by USTDA under the Grant Agreement will be made in U.S. currency. Detailed provisions with respect to invoicing and disbursement of grant funds are set forth in the USTDA Mandatory Contract Clauses attached in Annex 4.

Section 3: PROPOSAL FORMAT AND CONTENT

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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$480,000, which is a fixed amount.

Offerors shall submit one (1) original **in English and Portuguese, one (1) copy in each language**, and one (1) digital copy 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 3 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 $3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

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 $3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

5. The 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:

Technical Experience (20 points): Firm and team's experience (including detailed resumes) in aviation planning with particular emphasis in air cargo facilities planning and design and perishable/refrigerated facilities design.

Marketing Experience (25 points): Firm and team's experience in demand analysis, market research and market assessments for cargo projects including prior experience developing air cargo facilities, cargo consolidation facilities, industrial parks, multimodal systems, ports, etc.

Financial Experience (25 points): Firm and team's experience in project financing, cost estimating, and development of capital investment programs for airport and infrastructure projects. Specific experience with the identification of financing mechanisms, project financing and experience structuring finance for projects in Brazil and Latin American markets. Previous experience in air cargo facilities planning. Expertise in structuring privatization and PPP programs.

Work Plan and Methodology (15 points): Adequacy of the proposed work plan and suggested overall approach in responding to the Terms of Reference. Soundness and thoroughness of the technical approach and work plan sections of the proposal, and overall quality of proposal presentation will be evaluated. The proposal should also provide an organization chart of key personnel with their qualifications, and a staffing schedule for each key activity.

Regional Experience (15 points): Firm and team's familiarity with the aviation sector in Brazil and particularly in Northeast Brazil. Experience working with local authorities, as well as familiarity with local regulations and the local economy of Ceara.

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

Price will not be a factor in contractor selection.

ANNEX 1

INSERT: Cristiane Peres, Agencia de Desenvolvimento do Estado do Ceará, Avenida Barão de Studart, 598 – Meireles, Fortaleza, CE 60120-000, Brazil, Tel.: 011 55 (85) 3244-7980, adece@adece.ce.gov.br cristiane@adece.ce.gov.br

B – Brazil: Ceara New Cargo Airport

POC: Nina Patel, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. CEARA NEW CARGO AIRPORT. 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 to provide a market analysis that will determine the most likely products and clients for the new facility and establish a Master Plan based on identified demand.

The existing infrastructure in Ceara is not able to meet the state's growing cargo demand. The runway at the Pinto Martins International Airport is not long enough to support cargo flights and there is no room to add cargo capability. Additionally, the airport has limited connectivity with Ceara's main port, the Port of Pecem. Brazil's two main cargo airports are located in the southeast of the country. As such, most air cargo traffic in the Northeast is rerouted through Sao Paulo in the Southeast, which is a 3 ½ hour flight from Fortaleza. This not only increases transportation costs for most goods, but also increases risk for perishable products.

The objective of the Study is to establish an implementation plan for a new air cargo facility that will complement the expansion currently underway at the port and increase the efficiency of air cargo. A new cargo airport would provide the infrastructure necessary to allow for a greater number of direct routes to and from Ceara and foster multimodality between the port, rail and road systems. ADECE is the State Government agency responsible for implementing policies and projects that foster industrial, commercial, and technological development in the state

The U.S. firm selected will be paid in U.S. dollars from a $480,000 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 Portuguese and English directly to the Grantee by 1:00 pm (local time), December 2, 2010 at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

ANNEX 2

EXECUTIVE SUMMARY

In early March 2009, the U.S. Trade and Development Agency (USTDA) awarded a Definitional Mission to Brazil, Airport Modernization and Aviation, Project No. CO200951005 to the KED Group, LLC. Subsequent to the award, Ms. Grace Kalil and Mr. Pablo Riofrio from the KED Team traveled to Brazil to assess a number of airport development projects and meet with project stakeholders in Rio Grande do Sul, Ceara and Piaui. This report responds to a request for funding presented to KED during our visit to Fortaleza, Ceara.

While in Ceara, the KED Team met with representatives from the Agency for Development of the State of Ceara (ADECE), including Mr. Fernando Pessoa, Director of Investment Promotion and Paula Gentil, Project Manager. During our meeting, Mr. Pessoa indicated that the agency has been working for a few years in several key economic development projects, among them the expansion of the Port of Pecem, a project aimed at strengthening the state's position as a cargo hub in the Northeast and which will be complemented in the long-run with a free trade zone, cargo consolidation center and other ancillary facilities. During this meeting, Mr. Pessoa indicated that there was an interest in establishing a cargo airport by the port that would be complementary to it. This project responds to the following:

- The need identified by ADECE to increase the efficiency of air cargo for export of local products, particularly perishables such as flowers, fish and fruits.
- The priority given to the development of the port of Pecem as a platform for a multimodal cargo system that will allow Ceara to benefit from its geographical proximity to the US and Europe.
- The desire to respond to current market needs (local producers), as well as future demand resulting from the proposed industrial complex adjacent to the port.
- The opportunity to foster private sector investment in infrastructure and local economic development through international trade.

At this time, there is a limited number of dedicated cargo flights and most of the cargo is moved through passenger planes from the Fortaleza Airport. Increased cargo demand, as well as timing and quality issues related to the movement of perishable products, is exerting pressure at this facility and has made this Project a priority to ADECE. Furthermore, at this time cargo flights are rerouted to and from Sao Paulo from Europe and the US, but ADECE believes that near-term levels of demand will require direct flights to destinations such as Atlanta (9 hours) and Lisbon (11 hours).

The proposed study focuses on providing recommendations to ADECE regarding the potential technical and financial viability of the Project and conducting a market assessment to determine potential users and likely products to be moved through the facility. The Contractor will also be tasked with providing technical assistance for developing a conceptual facility requirement/infrastructure development program based on estimated capital expenditures and anticipated types of demand. While this study will provide ADECE with a roadmap for development of this new cargo airport, it will also provide them with adequate tools to engage local industries, foreign investors, and other important stakeholders. It is anticipated that the

Project will be financed through a combination of public and private funds, and ADECE is especially interested in assessing the viability of structuring the financing under a PPP scheme.

As a greenfield project, the proposed cargo airport will provide good opportunities for US export of goods and services, including cargo handling equipment, security devices, refrigeration and cold storage, navigational aids, and others. We anticipate potential exports at over $17 million for this Project. The Project will also open new job opportunities in many of these areas for the local community and increase competitiveness among local exporters.

PROJECT DESCRIPTION

The state of Ceara is located in Brazil's Northeast region. It is benefited by an excellent geographical location and multimodal systems which consist of the Port of Pecem, the airport in Fortaleza and major railroad and highway connections. Ceara's economy, the third in Brazil's Northeast, has experienced healthy rates of export growth (10%+) during the last few years and its GDP has almost doubled between 2002 and 2007. The economy is supported by important industries such as automotive parts, leather products, paints and metal components. Ceara ranks first in terms of export of roses, shoes and cashews among all states in Brazil and third in leather and fruits. US is its largest trading partner (25% of exports), although the UK, Netherlands and Italy contribute significantly to the local economy as well.

Overall, Ceara's transportation network is well developed. The Transnordestina railway system provides good connection within the state and with other strategic locations in the Northeast such as Recife and Joao Pessoa. There is an additional rail line that has been planned and which will travel through the center of the state. In addition, Ceara is served by the Fortaleza International Airport which has recently been expanded/remodeled and can handle close to three million passengers a year. In terms of maritime transportation, the port of Pecem is an off-shore terminal with two decking piers and four berths. Due to increased demand, the port has embarked in an expansion program, with Phase I due at the end of 2010. This phase includes the extension of the existing pier and the construction of a new 750 m pier with two docking berths along with the construction of several new warehouses, coal conveyor belt and coal unloading system. The estimated value of these investments exceeds $200 million. Subsequent phases of this project are estimated to be completed by 2015 for a total value of US$700 million. The final vision for the port is to become an off-shore industrial complex with access to railway and roadway systems, as well as with a free trade zone of 5000 hectares. At this time, the state is working towards developing a coordinated multimodal transportation system that will respond to increased exports of local products.

In response to these demands, ADECE officials indicated during our visit to Brazil that the agency is extremely interested in expanding its vision for the port and pointed out that an area of interest was air cargo. While the Fortaleza airport has recently expanded cargo facilities, demand has exerted pressure for those users exporting perishable goods, particularly flowers, fish and fruits. At this time, the Pinto Martins airport in Fortaleza is experiencing good demand for movement of cargo, but the existing infrastructure and runway length do not seem to provide adequate means to responding to statewide demand. There is also limited connectivity between

the port and the airport and ADECE has identified a real need to promote the port of Pecem complex to a growing market of perishable and other products.

Furthermore, while the state is well located and able to reach key markets such as Atlanta (9 hours) and Lisbon (10-11 hours), most of the cargo that comes out or into the state is rerouted through the airport in Sao Paulo. ADECE believes that there is great opportunity to attract direct flights to and from the state if there is a coordinated effort to provide a facility that will consolidate all cargo. Due to the limited facilities and flights, currently most of the cargo is being moved through passenger planes which poses a risk for perishable products and creates a burdensome system for local exporters. In addition to exporters, ADECE has also conducted some discussions to assess the interest of potential carriers (FedEx and DHL). At this point, it seems that DHL has shown interest in working at the facility in the future.

Therefore, ADECE has requested the assistance of USTDA in funding a study that would: (1) conduct a market analysis to determine the most likely products and clients for the new facility and (2) establish an infrastructure development program based on identified demand. At this time, ADECE has identified two potential sites for the facility nearby the port; it has requested that the Contractor conducts a general overview of these sites to recommend the most appropriate based on overall connectivity, access to complementary infrastructure, land use and impact on surrounding communities.

The main objectives of this study are:

- Assess the technical and financing viability of project implementation based on market opportunities
- Determine potential demand, users and capital investment costs associated with the Project
- Assess the types and volumes of cargo (by imports and exports) that will be moved through the airport considering both air and multimodal (air-maritime) demand
- Identify potential facility users (local and US companies)
- Provide preliminary assistance for selection of one of two proposed sites
- Establish facility requirements and a 15-year development program, including conceptual drawings and initial navigational equipment specifications
- Conduct a financial analysis to determine the most adequate financing sources and potential opportunities for PPPs
- Assess developmental and environmental impacts of the Project and proposed mitigation strategies

ADECE believes that this Project will significantly contribute to the development of its local economy and foster trade (both inbound and outbound) with key markets such as the US, while at the same time support the vision for the Port of Pecem. It is the intention of ADECE and the State Board for Economic Development that the state takes advantage of its geographical location and existing/planned infrastructure to become a gateway for movement of cargo Ceara and in Northeast Brazil.

PROJECT SPONSOR CAPABILITIES AND COMMITMENT

The Agency for Development of the State of Ceara (ADECE) is a state entity responsible for implementing the policies and projects of the Board for Economic Development of the State of Ceara (CEDE). The entity's mission is to promote competitiveness through the implementation of policies and projects that foster industrial, commercial, agricultural and technological activities in the state. Generally, ADECE is responsible for:

- Promoting local products and services
- Preparing and distributing studies, statistics and other information that would foster investment in the state
- Promoting economic development through partnerships, alliances, PPPs, chambers of commerce and other cooperations

Among others, ADECE has been tasked to promote the development of the Port of Pecem. The port expansion program, along with a new trade zone and a new Petrobras refinery, are some of the projects currently under the management of ADECE and which are aimed at fostering the economic development of state, promoting Ceara's local products and opening opportunities for private sector investment.

Our conversations with ADECE, as well as the steps that have already been taken for these projects, indicate that the agency is quickly moving forward towards meeting its goals and has identified these sectors as key areas for development. Because ADECE has established relations with several important local chambers of commerce, the entity is in sync with the needs and priorities of core economic sectors and has identified air cargo as one area for improvement. Furthermore, ADECE is aware that this Project would complement the current expansion at the port and will provide new opportunities for private sector investment.

IMPLEMENTATION FINANCING

Our discussions with ADECE indicate that they are interested in obtaining financing for this Project through a combination of public and private funds. ADECE has stated that the federal government has set aside state funding and is investing heavily in infrastructure in the Northeast. This funding is aimed, among others, to promote multimodal (ports and roads) transportation systems, i.e. the Pecem complex. In addition, the state has been receiving strong support from organizations such as the World Bank, Banco do Nordeste and BNDES.

- Banco do Nordeste: Banco do Nordeste is one the of largest development banks in Latin America and provides funding for sustainable development projects in Ceara. The bank has a series of funds allocated for state economic development, including the Fundo do Desenvolvimiento do Nordeste (FDNE), Nordeste Territorial (sector promotion) and the Fundo Constitucional de Financiamento do Nordeste e o Desenvolvimento Regional (FNE) which provides resources for projects ranging from mining to infrastructure development.

- The World Bank: During recent years the state of Ceara has worked closely with World Bank in several projects and has developed a good relationship which has allowed them to obtain funding for programs such as the Second Sector Wide Approach (SWAP) Inclusive Growth Project (Phases I and II) and a recent R103 million for hydro resources.

- Banco Nacional de Desenvolvimento Econômico e Social (BNDES): BNDES provides financing for equipment, as well as civil works related to infrastructure development. In the past, the bank has provided funds for thermal and hydro projects.

Moreover, our discussions with ADECE indicate that there is great enthusiasm to promote private sector involvement in this Project and agency representatives stated in several occasions the need to assess the potential for either a privatization or a PPP for implementation. This responds to the agency's vision for economic development of Ceara and its mission for strengthening ties with the private sector. In this regard, ADECE mentioned during our meetings that while some European companies have approached them in the past, they would like to promote opportunities available to US private sector investors as the US is the state's largest trading partner. We believe this Project can be used as an opportunity to do so and ensure that US firms reach this growing market.

US EXPORT POTENTIAL

During our visits, the team discussed with staff from ADECE the interest and opinion in US products and services. The results on these discussions indicate that there is a strong competition from Japanese and European (Dutch and Spanish were mentioned) that have approached ADECE for a series of projects; however, ADECE's representatives also stated that they are extremely interested in working with American companies and investors, but have not been able to get adequate levels of interest. This Project would provide a good opportunity to promote not only US technologies, but also to engage US private sector investors and financiers and strengthen the overall participation of US firms in Ceara's economy.

In terms of the project, as a new cargo airport, this will provide some interesting opportunities for US suppliers. The new facility will require a small air traffic control tower equipped with a VOR/DME, as well as airside navigation equipment, including PAPIs, lights, glide slopes and localizers, all areas in which the US is very competitive. There will also be a need for cargo handling equipment from tugs to conveyors. Other important potential US categories of products include security devices, refrigeration equipment, IT for cargo monitoring, specialized engineering services, and emergency vehicles. Table 1 below summarizes potential US exports.

Table 1. Potential US Exports

Description	Unit	Qty	Cost per Unit	Total Cost
TAXIWAY AND PLATFORM				
Aircraft Tugs and Ground Handling Equipment	LS	1	$1,480,000	$1,480,000
Airfield Lights	LS	1	$1,500,000	$1,500,000
Localizer and Glide Slope Equipment	LS	1	$900,000	$900,000
PAPI	LS	2	$240,000	$480,000
Runway and Taxiway Signalization	LS	1	$350,000	$350,000
Subtotal				**$3,880,000**
AIR TRAFFIC CONTROL TOWER				
Equipment	LS	1	$3,900,000	$3,900,000
VOR-DME	LS	1	$550,000	$550,000
Subtotal				**$4,450,000**
CARGO TERMINAL				
Refrigeration Equipment	LS	1	$500,000	$500,000
Forklifts and Cargo Movement Equipment	LS	1	$350,000	$350,000
Security Screening Devices	EACH	1	$750,000	$750,000
IT and Communications	LS	1	$350,000	$350,000
Subtotal				**$1,950,000**
CRASH FIRE RESCUE EQUIPMENT (ICAO CAT 7)				
Large Trucks	EACH	2	$450,000	$900,000
Medium Size Trucks	EACH	2	$360,000	$720,000
Rapid Intervention Vehicle	EACH	1	$240,000	$240,000
Water Tender	EACH	1	$180,000	$180,000
Support Vehicles	EACH	2	$50,000	$100,000
Subtotal				**$2,140,000**
FUEL DISTRIBUTION EQUIPMENT				
Aircraft Fueling Trucks	EACH	3	$230,000	$690,000
Control Equipment	LS	1	$150,000	$150,000
Fire Suppression Equipment	LS	1	$300,000	$300,000
Other	LS	1	$50,000	$50,000
Subtotal				**$1,190,000**
ENGINEERING SERVICES				
Specialized Engineering (airside design, security TA, planning)				$4,000,000
TOTAL POTENTIAL US EXPORTS				**$17,110,000**

Estimated total project cost is about $70 to $90 million.

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

FOREIGN COMPETITION

Foreign competition for this Project is anticipated to come mainly from German, Spanish and French companies. In the case of navigational equipment and visual aids, for instance, some possible providers could include Thales (UK), ADB (Belgium) and Siemens (Germany). For security, Heimann (Germany). For emergency equipment, companies such as Rosembaum (Germany) and YVECO (France) are well-know competitors. In this particular area, our experience indicates that there is a lack of representation of US companies, making competitors even stronger in terms of delivery times, maintenance and service.

As noted earlier, it is important to keep in mind that we foresee this Project as an opportunity for US investors as well. There is strong foreign competition in this area, and ADECE did mention that European and Japanese firms have been discussing potential opportunities with them. It would be important to inform potential US investors of this opportunity and strengthen the ties between ADECE and the US private sector.

DEVELOPMENTAL IMPACT

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

Infrastructure: The proposed Project will have an important impact on Ceara's air transportation infrastructure. We anticipate that the Project will translate into the construction of a new air cargo facility adjacent to the Port of Pecem, which will provide a platform for multimodal development of this area. Some key components of the new airport will include a runway, cargo platform, warehouses, consolidation center, and control tower.

Human Capacity Building: The main impact on human capacity building will be the addition of new jobs to the local economy. It is anticipated that the new facility will open job opportunities in areas such as cargo handling, air traffic control, security, and others. At the same time, new employees will have to be trained in the technologies and equipment that will be used at the facility. We anticipate 40-60 new jobs to be created from this Project on a permanent basis and over 100 additional construction jobs.

Technology Transfer and Productivity Improvement: While technology transfer will take place in terms of security and air navigation equipment as noted above, it is also important to highlight that the Project will have a significant impact in improving cargo handling in the state. With the new facility, Ceara will be able to move cargo more efficiently and timely. At this time, cargo is mostly moved through the belly of passenger airplanes and thus, local exporters have to wait for accommodations as flights would permit. The new facility will allow these local exporters to move cargo quicker, in larger qualities, and to avoid spoilage of perishable products that may get damaged at cargo platforms. In addition, enhanced productivity will be achieved as shorter routes directly to and from Fortaleza are implemented.

Market-Oriented Reforms: One of the objectives of this Project is to provide adequate cargo infrastructure in Fortaleza so that the state of Ceara can become a cargo hub for Northeast Brazil in the near future. As noted earlier, Ceara is extremely well located and unfortunately, at this time most flights are rerouted through Sao Paulo. This Project could foster direct cargo flights to and from the state based on new infrastructure, increasing the competitiveness of the state in the region and in Brazil.

IMPACT ON US LABOR

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

In fact, we believe that this Project could have a positive impact by opening opportunities to US suppliers of baggage and ground handling equipment, IT systems, security equipment, etc.

IMPACT ON THE ENVIRONMENT

It is expected that the Project resulting from this study could have some environmental impacts. As a greenfield project, it would be necessary to assess in detail any environmental and social impacts to the communities and areas surrounding the development and minimize any issues related to noise, air quality, fuel emissions, land use and zoning. At the same time, direct flights serving point-to-point routes to Fortaleza without reaching this market through Sao Paulo could benefit environmental concerns related to air quality and fuel consumption.

It is important to note that Ceara has a well-established environmental review process for infrastructure projects through the State Office of Environment (SEMACE). SEMACE is the entity responsible for environmental management in Ceara, and is responsible for overseeing the conformity with state and federal environmental regulations. This entity is, among others, responsible for the control of air quality, waste management and zoning, some of the issues that could potentially be affected by this Project. It is anticipated that the Project will obtain the necessary approvals from SEMACE in conformance with state and federal environmental laws.

QUALIFICATIONS

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

Technical Experience (20 points): Firm and team's experience (including detailed resumes) in aviation planning with particular emphasis in air cargo facilities planning and design and perishable/refrigerated facilities design.

Marketing Experience (25 points): Firm and team's experience in demand analysis, market research and market assessments for cargo projects including prior experience developing air cargo facilities, cargo consolidation facilities, industrial parks, multimodal systems, ports, etc.

Financial Experience (25 points): Firm and team's experience in project financing, cost estimating, and development of capital investment programs for airport and infrastructure projects. Specific experience with the identification of financing mechanisms, project financing and experience structuring finance for projects in Brazil and Latin American markets. Previous experience in air cargo facilities planning. Expertise in structuring privatization and PPP programs.

Work Plan and Methodology (20 points): Adequacy of the proposed work plan and suggested overall approach in responding to the Terms of Reference. Soundness and thoroughness of the technical approach and work plan sections of the proposal, and overall quality of proposal presentation will be evaluated. The proposal should also provide an organization chart of key personnel with their qualifications, and a staffing schedule for each key activity.

Regional Experience (10 points): Firm and team's familiarity with the aviation sector in Brazil and particularly in Northeast Brazil. Experience working with local authorities, as well as familiarity with local regulations and the local economy of Ceara.

JUSTIFICATION

The proposed study will provide ADECE and the state of Ceara with the tools needed to assess the viability and establish an implementation plan for a new air cargo facility that will complement the expansion being undertaken at the Port of Pecem, while increasing the efficiency of air cargo and positioning Ceara to become a cargo hub in Northeast Brazil.

At this time, the Fortaleza International Airport is well-equipped and has cargo facilities available, but most of the cargo is moved through passenger planes and thus, cargo users are subject to the availability of schedules and space in these planes. The current runway at Fortaleza does not have the capacity to accommodate some large cargo aircraft and many of these flights are currently rerouted through Sao Paulo and other parts of the country. The proposed new facility will respond to some priority needs of ADECE including:

- Provide the adequate infrastructure for cargo planes to allow direct routes to Ceara
- Increase the competitiveness of local producers by providing high quality cargo services
- Foster multimodality through the Port of Pecem and the existing railway and roadway systems

We feel that this project will provide the foundation for sustainable long-term economic growth for local exporters and allow ADECE to not only respond to current demands, but also improve its standards of service and level of quality. At the same time, it would provide a platform for increase trade between the state and the US, its largest trading partner, and good opportunities for exports of US products and services.

TERMS OF REFERENCE: Feasibility Study for New Cargo Airport at Pecem

Study Objective

The study shall provide recommendations regarding the technical and financial viability of building a new cargo airport by the Port of Pecem in Ceara. The study shall be based and

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TASK DESCRIPTIONS		LABOR IN PERSON DAYS											LABOR RECAP BY TASK	
DISCIPLINE													TOTAL	LABOR
TASK	TASK NAME	Program Manager	Market Specialist	Demand Forecaster	Air Cargo Planner	Financial Analyst	Engineer	Cost Estimator	Environmental Specialist	Project Coordinator	AutoCad Tech		DAYS	COST
1	Project Start-Up	5	8	4	4	4	2	2	1	3	0		33	$34,800
2	Assistance Site Selection	5	0	0	7	0	10	3	3	1	0		29	$30,690
3	Market Analysis and Cargo Forecasts	7	24	14	3	3	0	0	0	4	0		55	$59,170
4	Conceptual Plans and Development Program	10	4	0	40	0	37	5	5	5	30		136	$132,100
5	Environmental Impact Analysis	3	0	0	0	0	0	0	18	3	0		24	$20,880
6	Capital Costs and Investment Requirements	3	0	0	3	3	3	11	0	2	0		25	$24,150
7	US Suppliers	2	2	0	3	1	2	2	1	4	0		17	$15,930
8	Financial Analysis and Plan	9	4	2	3	27	2	4	2	3	0		56	$62,010
9	Developmental Impact Considerations	3	2	1	3	3	3	2	2	2	0		21	$21,650
10	Final Report	5	3	3	3	4	3	2	2	8	3		36	$33,230
	LABOR IN PERSON DAYS	52	47	24	69	45	62	31	34	35	33	0	432	
														$434,610

LABOR INCLUDING OVERHEAD & GENERAL ADMINISTRATIVE

Daily Rate*	$1,200	$1,100	$1,100	$1,150	$1,200	$1,100	$840	$880	$480	$600		TOTAL
												LABOR
TOTAL LABOR	$62,400	$51,700	$26,400	$79,350	$54,000	$68,200	$26,040	$29,920	$16,800	$19,800	$0	COST
												$434,610

Direct Cost	Number	Unit	Cost /Unit	Totals
Airfare	12	trips	$1,800	$21,600
Lodging	65	days	$155	$10,075
Ground Transportation	65	days	$50	$3,250
Meals and Incidentals	65	days	$60	$3,900
Phone, fax and shipping				$3,000
Translations				$3,200
Total Travel Costs				$45,025

Please review the following Budget Narrative Section for addition information regarding each line item.

TOTAL PROJECT COST	$479,635

* 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 Labor Cost above.

BUDGET NARRATIVE

OVERALL STUDY COST BREAKDOWN

It is anticipated that the total cost of the study will be roughly $480,000 out of which direct costs will consist of apprximately 10%.

DIRECT LABOR

Project Manager: This individual will provide the necessary guidance and support for the successful completion of the project. The Project Manager should have at least 15 years of experience managing cargo facility development projects, with particular experience in air cargo. It is anticipated that 52 days will be required at a rate of $1200.

Market Specialist: This individual should have at least 10 years of experience in air cargo market analysis, business plan development, competitor analyses, SWOT analysis, air network planning, network modeling and promotion. Experience working in Brazil is preferable. It is anticipated that 47 days will be required at a rate of $1100.

Demand Forecaster: The Demand Forecaster should have 5+ years of experience in air cargo forecasting, demand and market forecasting and benchmark studies for airports and airlines and market analysis. It is anticipated that 24 days will be required at a rate of $1100.

Air Cargo Planner: The Airport Planner should have 10+ years of experience in air cargo facilities planning, terminal planning and design for airport investment or development programs. This individual will be responsible for providing recommendations for development of the facility and conceptual plan preparation. It is anticipated that 69 days will be required at a rate of $1150.

Financial Analyst: This individual should have 7+ years of experience working as financial analyst in the transportation sector. Expertise in project financial viability and financial analysis is required. This individual will be tasked with conducting a financial model for the new facility and make recommendations related to its financial feasibility. It is anticipated that 45 days will be required at a rate of $1200.

Engineer: This individual should have 7+ years of experience as engineer for airport facilities, cargo facilities, commercial structures, warehouses and hangars. The Engineer will be tasked with drawing preparation for the development program. It is anticipated that 62 days will be required at a rate of $1100.

Cost Estimator: This individual should have 7+ years of experience in estimating for infrastructure projects, with particular relevant experience in airports and cargo facilities. It is anticipated that 31 days will be required at a rate of $840.

Environmental Specialist: This individual should have 5+ years of experience in environmental assessment of airport projects. Particular expertise in aircraft waste management, noise control and environmental mitigation. It is anticipated that 34 days will be required at a rate of $880.

Project Coordinator: The Project Coordinator will provide administrative support for all other personnel. It is anticipated that 35 days will be required at a rate of $480.

AutoCAD Drafter: This individual will support tasks conducted by the Project Manager, Planner and Engineer. He/she will work under the supervision of the Planner and Engineer in the development of drawings. It is expected that 33 days will be required at a daily rate of $600.

TRAVEL SUMMARY

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

One week (7 days) of travel time will be required for the Project Manager, five (5) days for the Engineer and ten days for the Market Specialist.

Roundtrip Airfare: $1,800 X 3 people = $5,400
Lodging and Per Diem: $215 X 22 days = $4,730
Ground Transportation: $50 X 22 days = $1,100

2. *At completion of Task 2, the Market Analyst and Project Manager will travel to provide a presentation to the Grantee for three days.*

Roundtrip Airfare: $1,800 X 2 people = $3,600
Lodging and Per Diem: $215 X 3 days x 2 people = $1,290
Ground Transportation: $50 X 3 days x 2 people = $300

3. *The Project Manager, Financial Analyst, Planner and Engineer will be required to travel to the host country for Task 3*

One week of travel time will be required for each individual.

Roundtrip Airfare: $1,800 X 4 people = $7,200
Lodging and Per Diem: $215 X 7 days X 4 people = $6,020
Ground Transportation: $50 X 7 days X 4 people = $1,400

4. *The Project Manager, Market Specialist and Financial Specialist will be required to travel to the host country to present the Final Report*

Three (3) days of travel time will be required for each individual.

Roundtrip Airfare: $1,800 X 3 people = $5,400
Lodging and Per Diem: $215 X 3 days X 3 people = $1,935
Ground Transportation: $50 X 3 days X 3 people = $450

Appendix A: Potential US Suppliers

Firm/Organization	Supplier Category	First Name	Last Name	Title	Phone Number	Email	Comments
Jeppensen	Data terrain, ATC	Luis	Navarro	Business Development Manager	678-665-2143	luis.navarro@jeppensen.com	No response yet.
Stinar Corporation	Boarding Bridges	Bob	Gregor	VP of Sales	651-454-5112	bgregor@stinar.com	For boarding bridges, they are interested, although he mentioned some possible transportation challenges.
Emergency One	FCR Equiment	Joel	Allen	Manager of International Sales	352-861-5008		Interested.
Davin, Inc.	Ground Handling equipment	Dave	Zchunke				No response yet.
GRA	Consultant	Chris	Frankel	Partner	718-852-7747		Somewhat interested depending on opportunity.
LPA Group, Inc.	Consultant	Fernando	Prieto	Director of International	561-248-8809	fprieto@lpagroup.com	Extremely interested.
Wright Aero Industries	Fuel Distribution	Amy	Jordan	Sales	954-791-9577	sales@dd-aviation.com	Not interested, only through military contract.
Mercury GSE	Ground support equipment	James	Spiegel	International Sales	562-653-0654	jspiegel@mercurygse.com	Interested, although main market is ME.
Jetway Systems FMC Technologies	Cargo and ground equipment	Paulina	Bishop	International Sales Manager	801-627-6600		Very interested
Automatic Terminal Information Systems	FIDS/BIDS	Sherry	Allen	Sales	713-937-4993		Interested depending on product.
US Airmotive	Cargo and ground equipment, conveyor belts, etc.	Emy	Cruz	Sales	305-885-4991		Interested, very active in the exporting market.
Oshkosh Truck Corp.	Cargo, ground and emergency equipment	Christie	Meagle	International Sales	920-235-9151	skarlin@oshkoshcorp.com	Extremely interested.
Barriger Technologies, Inc.	Security Equipment	Tiffany	Gardner	International Sales	908-222-9100		For now interested, will have to give additional details.
Atlantic Jet Support	Parts, service and support for Boeing aircraft	Alex	Kuccynski	Sales Representative	954-571-7983	alex@ajsupport.com	Very interested.
TY Lin	Consultant	Juan	Nunez	Project Manager	305-567-1888	jnunez@tylin.com	Very interested. Has looked at work in Brazil in the past.

ANNEX 3

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

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

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

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

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

NATIONALITY:

1) Rule

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

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

2) Application

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

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

3) Definitions

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

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

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

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

SOURCE AND ORIGIN:

1) Rule

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

2) Application

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

3) Definitions

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

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

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

ANNEX 4

GRANT AGREEMENT

RECEIVED
MAY 13 2010
PF
U.S. TRADE AND DEVELOPMENT AGENCY

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and the Agency for Development of the State of Ceara ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US$480,000 ("USTDA Grant") to fund the cost of goods and services required for the feasibility study ("Study") on the proposed Ceara New Cargo Airport Project ("Project") in Brazil ("Host Country").

PDF: JJ
MB
NY
GM
MC
HL
CS: LZ
PD
JW

1. USTDA Funding

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

2. Terms of Reference

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

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 U.S. Firm shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study.

4. Grantee Responsibilities

The Grantee shall undertake its best efforts to provide reasonable support for the U.S. Firm, such as local transportation, office space, and secretarial support. **5. USTDA as Financier**

(A) USTDA Approval of Competitive Selection Procedures

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

(B) USTDA Approval of U.S. Firm Selection

The Grantee shall notify USTDA at the address of record set forth in Article 17 below upon selection of the U.S. Firm to perform the Study. Upon approval of this selection by USTDA, the Grantee and the U.S. Firm shall then enter into an Agreement of Understanding. 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 Agreement of Understanding Between Grantee and U.S. Firm

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

(D) USTDA Not a Party to the Agreement of Understanding

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 Agreement of Understanding and any amendments thereto, including assignments, the selection of all U.S. Firms, the Terms of Reference, the Final Report, and any and all documents related to any Agreement of Understanding 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 Agreement of Understanding. 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 Agreement of Understanding or any sub-agreement, 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 U.S. Firm, or relieve the U.S. Firm of any liability which the U.S. Firm 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 Agreement of Understanding or any sub-agreement thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and any Agreement of Understanding or sub-agreement funded by the Grant Agreement, the Grant Agreement shall be controlling.

6. Disbursement Procedures

(A) USTDA Approval of Agreement of Understanding Required

USTDA will make disbursements of Grant funds directly to the U.S. Firm only after USTDA approves the Grantee's Agreement of Understanding with the U.S. Firm.

(B) U.S. Firm Invoice Requirements

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

7. Effective Date

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

8. Study Schedule

(A) Study Completion Date

The completion date for the Study, which is December 30, 2011, is the date by which the parties estimate that the Study will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

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

9. USTDA Mandatory Clauses

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

10. Use of U.S. Carriers

(A) Air

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

(B) Marine

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

11. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the U.S. Firm must be either a U.S. firm or U.S. individual; (b) the U.S. Firm 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 sub-agreement; (c) employees of the U.S. Firm or U.S. subcontractors 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 U.S. Firm 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 U.S. Firms, receipt and approval of Agreement of Understanding deliverables, and approval or disapproval of U.S. firm 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 Secretary. 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: Agency for Development of the State of Ceara
Avenida Barão de Studart, 598 - Meireles
Fortaleza, CE 60120-000
Brazil

Phone: 011 55 (85) 3244-7934
Fax: 011 55 (85) 3244-7977/7984

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.:	11 10/11 1001
Activity No.:	201051008A
Reservation No.:	2010510007
Grant No.:	GH2010510002

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 the Agency for Development of the State of Ceara, 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

By: Gabrielle Mandel

Gabrielle Mandel
Country Manager
U.S. Trade and Development Agency

Date: 4/30/10

Witnessed:

By:

Witnessed:

By:

For the Agency for Development of the State of Ceara

By:

Francisco Zuza de Oliveira
President
Agency for Development of the State of Ceara

Date: 30/04/2010

Witnessed:

By:

Witnessed:

By:

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex I

Terms of Reference

Objective

The objective of the Ceara New Cargo Airport Feasibility Study ("Study") is to provide recommendations to the Agency for Development of the State of Ceara ("ADECE") regarding the technical and financial viability of building a new cargo airport by the Port of Pecem in Ceara.

As part of the Study, ADECE shall provide the U.S. Firm with the studies that have been undertaken by the entity thus far, which will serve as the basis for the development of the project. These studies will likely be in Portuguese and it will be the U.S. Firm's responsibility to translate the information for their use, if needed. The Study will also provide ADECE with an adequate framework for Project implementation, including project financing. The objectives of the Study include:

- Assess the technical and financing viability of project implementation based on market opportunities
- Determine potential demand, users and capital investment costs associated with the Project
- Assess the types and volume of cargo (by imports and exports) that will be moved through the facility considering both air and multimodal (air-maritime) demand
- Identify potential facility users (local and US companies)
- Provide preliminary assistance for selection of one of two proposed sites
- Establish a 15-year development program, including conceptual drawings and navigational equipment specifications
- Conduct a financial analysis to determine the most adequate financing sources and potential for structuring a PPP
- Assess developmental and environmental impacts of the Project and proposed mitigation strategies

The Study tasks are as follows:

Task 1 – Project Kick-Off and Review of Existing Information

Immediately upon the start of the project, the U.S. Firm shall meet with ADECE to prepare and present, for approval, an overall schedule including projected travel times, meeting dates, deliverables and key Study milestones. The U.S. Firm shall present, during the initial meeting with ADECE, an overall project agenda, Study goals, objectives and description, list of key contacts and responsibilities and work approach. These items shall be discussed and agreed upon before commencement of the Study.

The U.S. Firm shall conduct a comprehensive data collection effort, gathering all the relevant information about the proposed airport and the region (service area) to be used as the base for the development of the Study (including a feasibility and market assessment). The U.S. Firm shall conduct meetings with all the key stakeholders, including, but not limited to, potential investors, facility users, community representatives, chambers of commerce and government representatives. The U.S. Firm shall, at the minimum, collect and review the following data: statistical information, legal and regulatory framework, socioeconomic information of the airport's trade area, status on on-going short-term airport projects in the Project's area of influence, existing arrangements for the provision of ground handling services, cargo handling and other operations and services in Fortaleza, schedule of rates and charge for neighboring facilities, and environmental policies that may affect the construction of the airport. The U.S. Firm shall also review relevant information regarding the existing airspace around the proposed airport. The information will be collected through meetings with the appropriate governmental agencies.

Deliverable #1: As part of Task 1, the U.S. Firm shall travel to Fortaleza, Brazil, to conduct a Study kickoff meeting and present and discuss with ADECE the Study schedule and work approach.

Task 2: Preliminary Site Recommendations

For this Project, ADECE is considering two potential sites in close proximity to each other. The U.S. Firm shall conduct a general assessment of the two sites and provide a recommendation to ADECE for use of one of the two. The recommended site will be used during the conceptual development of the facility.

The U.S. Firm will provide preliminary technical assistance to ADECE for selection of a site. This technical assistance will allow ADECE to assess the potential for using one of two proposed sites in order to build the new airport. At the beginning of the task, the U.S. Firm will visit the two potential sites along with representatives from ADECE. The U.S. Firm shall develop a preliminary analysis of the physical conditions and particular advantages/disadvantages of each site will be developed after the visit. The U.S. Firm will provide a general overview and recommendations based on:

- Existing land uses in the project area
- Existing quality and type of ground access, including regional roadway network, roadways around the proposed airport site, and parking facilities
- Potential existing and planned commercial/industrial areas that could potentially serve the airport, or will be served by it
- Accessibility to the Port of Pecem

- Applicable environmental rules and regulations and potential environmental concerns
- Aviation activity
- Socio-economic and demographic data, including relevant socioeconomic information about the region
- Key manufacturers, cargo users, courier services and potential users of the facility
- Major industries in the Project area in particular manufacturing, agricultural, and industrial
- Aerial photographs, maps and topographical data available

In providing recommendations, the U.S. Firm shall apply, to the extent possible, those practices and procedures recommended by the International Civil Aviation Organization ("ICAO").

Deliverable #1: *The U.S. Firm shall present a report to ADECE with a summary of the data collection effort and an analysis of the two proposed sites. An overview of the physical characteristics and advantages/disadvantages of each site shall be provided and a recommendation shall be made based on the items above. Two copies of the report shall be provided to ADECE in Portuguese.*

Task 3: Market Analysis and Cargo Forecasts

The U.S. Firm shall establish the role of the airport as regional provider of logistic services for a number of diverse industries (i.e., industrial, commercial, agricultural) based on local economic conditions and trade data. At the beginning of the task, the U.S. Firm shall interview local business people, community leaders, facility users (i.e., airlines, cargo companies) and government officials involved in the movement of goods. The U.S. Firm shall contact and discuss development opportunities with potential passenger, cargo carriers and consolidators, rail and road carriers, local producers and industries, as well as Chambers of Commerce, non-government organizations and local business organizations. Based on the results of these conversations, the U.S. Firm shall identify the most appropriate uses for the facility and the potential target markets.

The U.S. Firm shall determine the most likely products to be moved through the facility by market (national and international). For the national market, the U.S. Firm shall assess the average growth rate per product and identify some key companies in these sectors, particularly as it relates to potential facility users. Further, the U.S. Firm shall determine potential cargo demand and forecasts at the new facility per product considering local economic conditions, technological improvements, product availability, pricing and other factors that may be deemed relevant. The U.S. Firm shall determine anticipated demand for export and import of products, considering the competitiveness of such products in the market, the need for shorter delivery times and distribution

channels, among others. Based on these findings, the U.S. Firm shall provide recommendations to assess the adequacy of establishing the new facility.

Deliverable #2: *A report detailing these findings and recommendations of Task 3 shall be presented to ADECE in English. Two copies of the report in Portuguese shall also be provided. In addition, the U.S. Firm shall conduct a presentation to ADECE which will summarize the products that are most likely to be moved through the facility nationally and internationally. The presentation shall include data on industry/product growth, expected industry developments and anticipated cargo forecasts at the new airport. The presentation shall provide clear recommendations as to the potential facility users, including a list of companies that may be interested in the facility.*

Task 4: Conceptual Development Program and Facility Requirements

Based on the results of Task 3, the U.S. Firm shall prepare a conceptual development program for all airport facilities. The conceptual development program shall focus on areas largely impacted by air traffic growth such as the runway/apron/taxiway, the cargo terminal and a potential future passenger terminal. The conceptual development program shall include recommendations for the construction of the airport during the next fifteen years in five-year phases based on international standards and local design requirements. The conceptual development program shall provide clear recommendations on an alternative for development of the new facility.

The U.S. Firm shall develop conceptual plans in phases to meet the anticipated demand, considering the type, nature and quantity of products that will be moved through the facility, identified users (as per Task 3) and fleet mix. The U.S. Firm shall prepare an ultimate development airport layout plan based on standards from the ICAO Planning Manual, as well as the International Air Transport Association's (IATA) Airport Development Reference Manual when appropriate. In addition, the U.S. Firm shall develop initial specifications for airside components, focusing on specifications for runway lights and navigational equipment.

The U.S. Firm shall utilize the results of the conceptual development program as the basis for developing capital cost estimates and an investment program, which shall become an important input to the financial analysis and financial plans. The U.S. Firm shall use the conceptual development program to identify, prioritize, and establish a schedule for priority development projects.

Deliverable #3: As a result of this analysis, the U.S. Firm shall provide ADECE with a report detailing the conceptual development program and facility requirements. The U.S. Firm shall estimate airport development requirements in five-year planning stages for the next 15 years for key airport facilities, including:

- A description of the proposed facility and physical characteristics
- Conceptual drawings for the recommended development based on demand
- Proposed implementation schedule in GANTT format
- Specifications for airside (runways and navigation equipment)

The U.S. Firm shall provide one copy of the report to ADECE in English and two copies of the report to ADECE in Portuguese. All drawings shall be presented in dwg format.

Task 5: Environmental Impact Analysis

The U.S. Firm shall analyze the Project's environmental impacts with reference to local requirements and international practices such as those of the World Bank. This analysis shall identify potential negative impacts, discuss the extent to which they can be mitigated, and provide recommendations for full environmental impact assessment if and when the Project moves forward to implementation stage. The environmental impact analysis shall consider sewage treatment, solid waste disposal, noise, land use and zoning requirements, air and water quality, etc.

The U.S. Firm shall specifically review the Brazilian environmental laws and regulations affecting the development of the facility. An outline of short and long term environmental concerns or impacts of construction and operations on the air, noise, social, and water quality shall be developed. Measures for environmental control and mitigation, and treatment facilities shall be proposed, including their potential cost.

Task 6: Capital Costs

The U.S. Firm shall prepare detailed cost estimates, including engineering costs, capital construction costs and equipment costs for each item of development or improvement at the airport and for each phase of development. The cost estimates shall be based on the U.S. Firm's knowledge of the local market and costs provided by ADECE.

Task 7: US Suppliers

The U.S. Firm shall identify the availability of potential U.S. sources of supply and prepare a U.S. supplier list which shall outline potential U.S. sources for procurement of goods and services necessary to implement the development plan at the airport. The list shall include business name, point of contact, address, telephone and fax numbers for

each commercial source, as well as a general description of products and services that may be procured.

Deliverable #4: *At the end of the task, the U.S. Firm shall present a Report incorporating comments received from ADECE on any previous deliverables and shall include findings and deliverables from Tasks 1 through 7. The U.S. Firm shall provide to ADECE one copy of the report in English and two copies of the report in Portuguese.*

Task 8: Financial Analysis and Plan

The U.S. Firm shall conduct a financial model aimed at assessing the financial feasibility of the proposed airport. This financial model shall show cash flows over the fifteen year period and shall be constructed in a manner so as to permit the evaluation of possible modifications in demand forecast assumptions, rates and charges, concession fees, revenues, investment costs, airport operating and maintenance costs, the investment program or in the estimated costs of financing. The financial model shall include:

- An evaluation of schedule of fees and charges for similar facilities in the region. Based on this evaluation this U.S. Firm shall provide a recommendation for an initial schedule of fees
- A projection of airport revenues based on the demand forecasts
- An analysis of airport operating and maintenance costs, including a fifteen-year cost projection
- A schedule of investment repayment obligations

The U.S. Firm shall assess the ability to generate future revenues sufficient to cover all future expenses of maintenance, operation, administration and debt service, as well as to support the required funding for Project construction. A statement of operating revenues and expenses shall be prepared based on projected growth.

In addition, the U.S. Firm shall explore the potential for the Project to be funded through a privatization or public-private partnership (PPP). The U.S. Firm shall contact potential investors and assess the level of interest in the Project. Based on the results from Task 8, the U.S. Firm shall make recommendations regarding the suitability of a PPP scheme.

Deliverable #5: The U.S. Firm shall present a report of its findings containing the financial analysis and recommendations on the viability of obtaining private sector support. The financial model shall be provided to ADECE in a format which allows ADECE to continually reevaluate based on changes in the actual growth of demand and other Project variables. The U.S. Firm shall provide to ADECE one copy of the report and model in English and two copies of the report and model in Portuguese.

Task 9: Developmental Impact Considerations

The U.S. Firm shall report on the potential development impacts for the Project in Brazil. While specific focus shall be paid to the immediate impact(s) of the Project, the U.S. Firm shall include, where appropriate, any additional developmental benefits of the Project, including spin-off and demonstration effects. The U.S. Firm's analysis of potential benefits shall be as concrete and detailed as possible. The development impact factors are intended to provide the Project's decision-makers and other interested parties with a broader view of the Projects' potential effects on the Host Country. The U.S. Firm shall provide estimates of the Project's potential benefits in the following areas:

- Infrastructure and Industry. The U.S. Firm shall provide a statement on the infrastructure impact giving a brief synopsis, including the size and scope of new facilities.

- Market-Oriented Reforms. The U.S. Firm shall provide a description of any regulations, laws, or institutional changes that are recommended and the effect they would have if implemented. The U.S. Firm shall identify increased quality, efficiency or competitiveness of core products in the state of Ceara as result of the Project.

- Human Capacity Building. The U.S. Firm shall address the number and type of positions that may be needed to implement, manage, and operate the proposed new airport as well as the number of people who may receive training and a brief description of the training program.

- Technology Transfer and Productivity Enhancement. The U.S. Firm shall provide a description of any advanced technologies that may be implemented as a result of the Project. The U.S. Firm shall provide a quantitative description of any efficiency that may be gained as part of the Project such as delivery times, cargo consolidation, shorter routes, etc.

- Other: The U.S. Firm shall identify any other developmental benefits of the Project, including any spin-off or demonstration effects.

The U.S. Firm shall give particular consideration to the following:

- *Improvement in the quality or durability of exports*
- *New technologies to be implemented as result of the Project*
- *Efficiencies gained as result of decreased delivery times and shorter routes*
- *New distribution channels*

Deliverable #6 – Draft Final Report: *The U.S. Firm shall present to ADECE the Draft Final Report and an Executive Summary which shall incorporate comments from ADECE on all previous reports and shall include findings from Tasks 1 through 9. Two copies of this report and the executive summary shall be provided to ADECE in English and two copies of this report and executive summary shall be provided to ADECE in Portuguese. The report shall also be presented in digital format using Microsoft Office, dwg files, or pdf files as approved by ADECE.*

Task 10: Final Report and Executive Presentation

The U.S. Firm shall prepare and provide a comprehensive Final Report for submission to ADECE and to USTDA, which shall contain the key findings, recommendations, and conclusions of the Study, and shall incorporate all other documents and/or reports provided pursuant to Tasks 1 through 9 above. The U.S. Firm shall ensure that the Final Report is submitted in accordance with Clause I of Annex II of the Grant Agreement. The Final Report shall be a substantive and comprehensive report of work performed to carry out all of the tasks set forth in the Terms of Reference and shall include, among other things, an Executive Summary and all deliverables. Each task of the Terms of Reference shall form a separate chapter of the Final Report.

The Final Report shall also include a comprehensive list of suppliers, including potential sources of U.S. equipment and services, relevant to the implementation of each component of the Projects as outlined in the Study.

The U.S. Firm shall submit to ADECE four (4) copies of the Final Report in Portuguese and one (1) in English. The U.S. Firm shall also provide one (1) electronic version of both the confidential and public versions of the Final Report to ADECE in Microsoft Office, pdf or .dwg format. The U.S. Firm shall provide copies to USTDA and the U.S. Consulate in Sao Paulo in English in accordance with Clause I of Annex II of the Grant Agreement.

Upon completion of the Final Report, the U.S. Firm shall provide a final oral presentation of the Final Executive Summary and the Final Report to ADECE and other stakeholders in Brazil.

Notes:

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

(2) The U.S. Firm and ADECE shall be careful to ensure that the public version of the Final Report contains no security or confidential information.

(3) ADECE 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 Agreement of Understanding to Perform the Feasibility Study Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this Agreement of Understanding to Perform the Feasibility Study ("Agreement of Understanding") acknowledge that this Agreement of Understanding is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and the Agency for Development of the State of Ceara ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("U.S. Firm") to perform the Feasibility Study ("Study") for the Ceara New Cargo Airport Project ("Project") in Brazil ("Host Country"). Notwithstanding any other provisions of this Agreement of Understanding, the following USTDA mandatory Agreement of Understanding clauses shall govern. All sub-agreements entered into by the U.S. Firm funded or partially funded with USTDA Grant funds shall include these USTDA mandatory Agreement of Understanding 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 Agreement of Understanding or sub-agreement thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Agreement of Understanding

All agreements of understanding 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 Agreement of Understanding has been formally approved by USTDA or until the Agreement of Understanding conforms to modifications required by USTDA during the Agreement of Understanding review process.

(2) USTDA Not a Party to the Agreement of Understanding

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 Agreement of Understanding and amendments thereto, including assignments, the selection of all U.S. Firms, the Terms of Reference, the Final Report, and any and all documents related to any Agreement of Understanding 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 Agreement of Understanding. 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 Agreement of Understanding or any sub-agreement, 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 U.S. Firm, or relieve the U.S. Firm of any liability which the U.S. Firm 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 U.S. Firm must be either a U.S. firm or U.S. individual; (b) the U.S. Firm 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 sub-agreement; (c) employees of the U.S. Firm or U.S. subcontractors 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 U.S. Firm 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 Agreement of Understanding. 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 Agreement of Understanding term and for a period of three (3) years after final disbursement by USTDA. The U.S. Firm and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

E. U.S. Carriers

(1) Air

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

(2) Marine

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

F. Workman's Compensation Insurance

The U.S. Firm shall provide adequate Workman's Compensation Insurance coverage for work performed under this Agreement of Understanding.

G. Reporting Requirements

The U.S. Firm 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 U.S. Firm receives follow-on work from the Client, the U.S. Firm shall so notify USTDA and designate the U.S. Firm'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 U.S. Firm 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 Agreement of Understanding**

Disbursement of Grant funds will be made only after USTDA approval of this Agreement of Understanding. To make this review in a timely fashion, USTDA must receive from either the Client or the U.S. Firm a photocopy of an English language version of a signed Agreement of Understanding 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 U.S. Firm shall be included in this Agreement of Understanding. 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 Agreement of Understanding 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) U.S. Firm Invoice Requirements

USTDA will make all disbursements of USTDA Grant funds directly to the U.S. Firm. The U.S. Firm 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 U.S. Firm for performance of the contract by submitting the following to USTDA:

(a) U.S. Firm's Invoice

The U.S. Firm's invoice shall include reference to an item listed in the Agreement of Understanding payment schedule, the requested payment amount, and an appropriate certification by the U.S. Firm, as follows:

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

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

(ii) For Agreement of Understanding performance milestone payments:

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

(iii) For final payment:

"The U.S. Firm has performed the work described in this invoice in accordance with the terms of its Agreement of Understanding with the Client and is entitled to payment thereunder. Specifically, the U.S. Firm has submitted the Final Report to the Client, as required by the Agreement of Understanding, and received the Client's approval of the Final Report. To the extent the U.S. Firm has not complied with the terms and conditions of the Agreement of Understanding, 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 U.S. Firm's Invoice

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

(ii) For Agreement of Understanding 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 U.S. Firm have been performed satisfactorily, in accordance with applicable Agreement of Understanding 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 U.S. Firm have been performed satisfactorily, in accordance with applicable Agreement of Understanding provisions and terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the U.S. Firm 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 Agreement of Understanding is terminated prior to completion, the U.S. Firm 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 U.S. Firm all USTDA Grant funds previously disbursed to the U.S. Firm (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 U.S. Firm 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 U.S. Firm 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 U.S. Firm to ensure that no confidential information is contained on the CD-ROMs.

The U.S. Firm 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 U.S. Firm 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 U.S. Firm shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The U.S. Firm 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 U.S. Firm 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 U.S. Firm who prepared the report, a report title, and the following language:

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

(d) The U.S. Firm 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 U.S. Firm 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 Agreement of Understanding, including the appendices, shall be made only by written agreement by the parties hereto, subject to written USTDA approval.

K. Study Schedule

(1) Study Completion Date

The completion date for the Study, which is December 30, 2011, is the date by which the parties estimate that the Study will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Agreement of Understanding 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 U.S. Firm 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 U.S. Firm 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 Agreement of Understanding, 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 Agreement of Understanding 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.:	11 10/11 1001
Activity No.:	201051008A
Reservation No.:	2010510007
Grant No.:	GH2010510002

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 U.S. Firm will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

ANNEX 5

Annex I

Terms of Reference

Objective

The objective of the Ceara New Cargo Airport Feasibility Study ("Study") is to provide recommendations to the Agency for Development of the State of Ceara ("ADECE") regarding the technical and financial viability of building a new cargo airport by the Port of Pecem in Ceara.

As part of the Study, ADECE shall provide the U.S. Firm with the studies that have been undertaken by the entity thus far, which will serve as the basis for the development of the project. These studies will likely be in Portuguese and it will be the U.S. Firm's responsibility to translate the information for their use, if needed. The Study will also provide ADECE with an adequate framework for Project implementation, including project financing. The objectives of the Study include:

- Assess the technical and financing viability of project implementation based on market opportunities
- Determine potential demand, users and capital investment costs associated with the Project
- Assess the types and volume of cargo (by imports and exports) that will be moved through the facility considering both air and multimodal (air-maritime) demand
- Identify potential facility users (local and US companies)
- Provide preliminary assistance for selection of one of two proposed sites
- Establish a 15-year development program, including conceptual drawings and navigational equipment specifications
- Conduct a financial analysis to determine the most adequate financing sources and potential for structuring a PPP
- Assess developmental and environmental impacts of the Project and proposed mitigation strategies

The Study tasks are as follows:

Task 1 – Project Kick-Off and Review of Existing Information

Immediately upon the start of the project, the U.S. Firm shall meet with ADECE to prepare and present, for approval, an overall schedule including projected travel times, meeting dates, deliverables and key Study milestones. The U.S. Firm shall present, during the initial meeting with ADECE, an overall project agenda, Study goals, objectives and description, list of key contacts and responsibilities and work approach. These items shall be discussed and agreed upon before commencement of the Study.

The U.S. Firm shall conduct a comprehensive data collection effort, gathering all the relevant information about the proposed airport and the region (service area) to be used as the base for the development of the Study (including a feasibility and market assessment). The U.S. Firm shall conduct meetings with all the key stakeholders, including, but not limited to, potential investors, facility users, community representatives, chambers of commerce and government representatives. The U.S. Firm shall, at the minimum, collect and review the following data: statistical information, legal and regulatory framework, socioeconomic information of the airport's trade area, status on on-going short-term airport projects in the Project's area of influence, existing arrangements for the provision of ground handling services, cargo handling and other operations and services in Fortaleza, schedule of rates and charge for neighboring facilities, and environmental policies that may affect the construction of the airport. The U.S. Firm shall also review relevant information regarding the existing airspace around the proposed airport. The information will be collected through meetings with the appropriate governmental agencies.

Deliverable #1: As part of Task 1, the U.S. Firm shall travel to Fortaleza, Brazil, to conduct a Study kickoff meeting and present and discuss with ADECE the Study schedule and work approach.

Task 2: Preliminary Site Recommendations

For this Project, ADECE is considering two potential sites in close proximity to each other. The U.S. Firm shall conduct a general assessment of the two sites and provide a recommendation to ADECE for use of one of the two. The recommended site will be used during the conceptual development of the facility.

The U.S. Firm will provide preliminary technical assistance to ADECE for selection of a site. This technical assistance will allow ADECE to assess the potential for using one of two proposed sites in order to build the new airport. At the beginning of the task, the U.S. Firm will visit the two potential sites along with representatives from ADECE. The U.S. Firm shall develop a preliminary analysis of the physical conditions and particular advantages/disadvantages of each site will be developed after the visit. The U.S. Firm will provide a general overview and recommendations based on:

- Existing land uses in the project area
- Existing quality and type of ground access, including regional roadway network, roadways around the proposed airport site, and parking facilities
- Potential existing and planned commercial/industrial areas that could potentially serve the airport, or will be served by it
- Accessibility to the Port of Pecem

- Applicable environmental rules and regulations and potential environmental concerns
- Aviation activity
- Socio-economic and demographic data, including relevant socioeconomic information about the region
- Key manufacturers, cargo users, courier services and potential users of the facility
- Major industries in the Project area in particular manufacturing, agricultural, and industrial
- Aerial photographs, maps and topographical data available

In providing recommendations, the U.S. Firm shall apply, to the extent possible, those practices and procedures recommended by the International Civil Aviation Organization ("ICAO").

Deliverable #1: *The U.S. Firm shall present a report to ADECE with a summary of the data collection effort and an analysis of the two proposed sites. An overview of the physical characteristics and advantages/disadvantages of each site shall be provided and a recommendation shall be made based on the items above. Two copies of the report shall be provided to ADECE in Portuguese.*

Task 3: Market Analysis and Cargo Forecasts

The U.S. Firm shall establish the role of the airport as regional provider of logistic services for a number of diverse industries (i.e., industrial, commercial, agricultural) based on local economic conditions and trade data. At the beginning of the task, the U.S. Firm shall interview local business people, community leaders, facility users (i.e., airlines, cargo companies) and government officials involved in the movement of goods. The U.S. Firm shall contact and discuss development opportunities with potential passenger, cargo carriers and consolidators, rail and road carriers, local producers and industries, as well as Chambers of Commerce, non-government organizations and local business organizations. Based on the results of these conversations, the U.S. Firm shall identify the most appropriate uses for the facility and the potential target markets.

The U.S. Firm shall determine the most likely products to be moved through the facility by market (national and international). For the national market, the U.S. Firm shall assess the average growth rate per product and identify some key companies in these sectors, particularly as it relates to potential facility users. Further, the U.S. Firm shall determine potential cargo demand and forecasts at the new facility per product considering local economic conditions, technological improvements, product availability, pricing and other factors that may be deemed relevant. The U.S. Firm shall determine anticipated demand for export and import of products, considering the competitiveness of such products in the market, the need for shorter delivery times and distribution

channels, among others. Based on these findings, the U.S. Firm shall provide recommendations to assess the adequacy of establishing the new facility.

Deliverable #2: *A report detailing these findings and recommendations of Task 3 shall be presented to ADECE in English. Two copies of the report in Portuguese shall also be provided. In addition, the U.S. Firm shall conduct a presentation to ADECE which will summarize the products that are most likely to be moved through the facility nationally and internationally. The presentation shall include data on industry/product growth, expected industry developments and anticipated cargo forecasts at the new airport. The presentation shall provide clear recommendations as to the potential facility users, including a list of companies that may be interested in the facility.*

Task 4: Conceptual Development Program and Facility Requirements

Based on the results of Task 3, the U.S. Firm shall prepare a conceptual development program for all airport facilities. The conceptual development program shall focus on areas largely impacted by air traffic growth such as the runway/apron/taxiway, the cargo terminal and a potential future passenger terminal. The conceptual development program shall include recommendations for the construction of the airport during the next fifteen years in five-year phases based on international standards and local design requirements. The conceptual development program shall provide clear recommendations on an alternative for development of the new facility.

The U.S. Firm shall develop conceptual plans in phases to meet the anticipated demand, considering the type, nature and quantity of products that will be moved through the facility, identified users (as per Task 3) and fleet mix. The U.S. Firm shall prepare an ultimate development airport layout plan based on standards from the ICAO Planning Manual, as well as the International Air Transport Association's (IATA) Airport Development Reference Manual when appropriate. In addition, the U.S. Firm shall develop initial specifications for airside components, focusing on specifications for runway lights and navigational equipment.

The U.S. Firm shall utilize the results of the conceptual development program as the basis for developing capital cost estimates and an investment program, which shall become an important input to the financial analysis and financial plans. The U.S. Firm shall use the conceptual development program to identify, prioritize, and establish a schedule for priority development projects.

Deliverable #3: As a result of this analysis, the U.S. Firm shall provide ADECE with a report detailing the conceptual development program and facility requirements. The U.S. Firm shall estimate airport development requirements in five-year planning stages for the next 15 years for key airport facilities, including:

- A description of the proposed facility and physical characteristics
- Conceptual drawings for the recommended development based on demand
- Proposed implementation schedule in GANTT format
- Specifications for airside (runways and navigation equipment)

The U.S. Firm shall provide one copy of the report to ADECE in English and two copies of the report to ADECE in Portuguese. All drawings shall be presented in dwg format.

Task 5: Environmental Impact Analysis

The U.S. Firm shall analyze the Project's environmental impacts with reference to local requirements and international practices such as those of the World Bank. This analysis shall identify potential negative impacts, discuss the extent to which they can be mitigated, and provide recommendations for full environmental impact assessment if and when the Project moves forward to implementation stage. The environmental impact analysis shall consider sewage treatment, solid waste disposal, noise, land use and zoning requirements, air and water quality, etc.

The U.S. Firm shall specifically review the Brazilian environmental laws and regulations affecting the development of the facility. An outline of short and long term environmental concerns or impacts of construction and operations on the air, noise, social, and water quality shall be developed. Measures for environmental control and mitigation, and treatment facilities shall be proposed, including their potential cost.

Task 6: Capital Costs

The U.S. Firm shall prepare detailed cost estimates, including engineering costs, capital construction costs and equipment costs for each item of development or improvement at the airport and for each phase of development. The cost estimates shall be based on the U.S. Firm's knowledge of the local market and costs provided by ADECE.

Task 7: US Suppliers

The U.S. Firm shall identify the availability of potential U.S. sources of supply and prepare a U.S. supplier list which shall outline potential U.S. sources for procurement of goods and services necessary to implement the development plan at the airport. The list shall include business name, point of contact, address, telephone and fax numbers for

each commercial source, as well as a general description of products and services that may be procured.

Deliverable #4: *At the end of the task, the U.S. Firm shall present a Report incorporating comments received from ADECE on any previous deliverables and shall include findings and deliverables from Tasks 1 through 7. The U.S. Firm shall provide to ADECE one copy of the report in English and two copies of the report in Portuguese.*

Task 8: Financial Analysis and Plan

The U.S. Firm shall conduct a financial model aimed at assessing the financial feasibility of the proposed airport. This financial model shall show cash flows over the fifteen year period and shall be constructed in a manner so as to permit the evaluation of possible modifications in demand forecast assumptions, rates and charges, concession fees, revenues, investment costs, airport operating and maintenance costs, the investment program or in the estimated costs of financing. The financial model shall include:

- An evaluation of schedule of fees and charges for similar facilities in the region. Based on this evaluation this U.S. Firm shall provide a recommendation for an initial schedule of fees
- A projection of airport revenues based on the demand forecasts
- An analysis of airport operating and maintenance costs, including a fifteen-year cost projection
- A schedule of investment repayment obligations

The U.S. Firm shall assess the ability to generate future revenues sufficient to cover all future expenses of maintenance, operation, administration and debt service, as well as to support the required funding for Project construction. A statement of operating revenues and expenses shall be prepared based on projected growth.

In addition, the U.S. Firm shall explore the potential for the Project to be funded through a privatization or public-private partnership (PPP). The U.S. Firm shall contact potential investors and assess the level of interest in the Project. Based on the results from Task 8, the U.S. Firm shall make recommendations regarding the suitability of a PPP scheme.

Deliverable #5: The U.S. Firm shall present a report of its findings containing the financial analysis and recommendations on the viability of obtaining private sector support. The financial model shall be provided to ADECE in a format which allows ADECE to continually reevaluate based on changes in the actual growth of demand and other Project variables. The U.S. Firm shall provide to ADECE one copy of the report and model in English and two copies of the report and model in Portuguese.

Task 9: Developmental Impact Considerations

The U.S. Firm shall report on the potential development impacts for the Project in Brazil. While specific focus shall be paid to the immediate impact(s) of the Project, the U.S. Firm shall include, where appropriate, any additional developmental benefits of the Project, including spin-off and demonstration effects. The U.S. Firm's analysis of potential benefits shall be as concrete and detailed as possible. The development impact factors are intended to provide the Project's decision-makers and other interested parties with a broader view of the Projects' potential effects on the Host Country. The U.S. Firm shall provide estimates of the Project's potential benefits in the following areas:

- Infrastructure and Industry. The U.S. Firm shall provide a statement on the infrastructure impact giving a brief synopsis, including the size and scope of new facilities.

- Market-Oriented Reforms. The U.S. Firm shall provide a description of any regulations, laws, or institutional changes that are recommended and the effect they would have if implemented. The U.S. Firm shall identify increased quality, efficiency or competitiveness of core products in the state of Ceara as result of the Project.

- Human Capacity Building. The U.S. Firm shall address the number and type of positions that may be needed to implement, manage, and operate the proposed new airport as well as the number of people who may receive training and a brief description of the training program.

- Technology Transfer and Productivity Enhancement. The U.S. Firm shall provide a description of any advanced technologies that may be implemented as a result of the Project. The U.S. Firm shall provide a quantitative description of any efficiency that may be gained as part of the Project such as delivery times, cargo consolidation, shorter routes, etc.

- Other: The U.S. Firm shall identify any other developmental benefits of the Project, including any spin-off or demonstration effects.

The U.S. Firm shall give particular consideration to the following:

- *Improvement in the quality or durability of exports*
- *New technologies to be implemented as result of the Project*
- *Efficiencies gained as result of decreased delivery times and shorter routes*
- *New distribution channels*

Deliverable #6 – Draft Final Report: *The U.S. Firm shall present to ADECE the Draft Final Report and an Executive Summary which shall incorporate comments from ADECE on all previous reports and shall include findings from Tasks 1 through 9. Two copies of this report and the executive summary shall be provided to ADECE in English and two copies of this report and executive summary shall be provided to ADECE in Portuguese. The report shall also be presented in digital format using Microsoft Office, dwg files, or pdf files as approved by ADECE.*

Task 10: Final Report and Executive Presentation

The U.S. Firm shall prepare and provide a comprehensive Final Report for submission to ADECE and to USTDA, which shall contain the key findings, recommendations, and conclusions of the Study, and shall incorporate all other documents and/or reports provided pursuant to Tasks 1 through 9 above. The U.S. Firm shall ensure that the Final Report is submitted in accordance with Clause I of Annex II of the Grant Agreement. The Final Report shall be a substantive and comprehensive report of work performed to carry out all of the tasks set forth in the Terms of Reference and shall include, among other things, an Executive Summary and all deliverables. Each task of the Terms of Reference shall form a separate chapter of the Final Report.

The Final Report shall also include a comprehensive list of suppliers, including potential sources of U.S. equipment and services, relevant to the implementation of each component of the Projects as outlined in the Study.

The U.S. Firm shall submit to ADECE four (4) copies of the Final Report in Portuguese and one (1) in English. The U.S. Firm shall also provide one (1) electronic version of both the confidential and public versions of the Final Report to ADECE in Microsoft Office, pdf or .dwg format. The U.S. Firm shall provide copies to USTDA and the U.S. Consulate in Sao Paulo in English in accordance with Clause I of Annex II of the Grant Agreement.

Upon completion of the Final Report, the U.S. Firm shall provide a final oral presentation of the Final Executive Summary and the Final Report to ADECE and other stakeholders in Brazil.

Notes:

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

(2) The U.S. Firm and ADECE shall be careful to ensure that the public version of the Final Report contains no security or confidential information.

(3) ADECE and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

ANNEX 6

COMPANY INFORMATION

A. Company Profile

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

1. Name of firm and business address (street address only), including telephone and fax numbers:

2. Year established (include predecessor companies and year(s) established, if appropriate).

3. Type of ownership (e.g. public, private or closely held).

4. If private or closely held company, provide list of shareholders and the percentage of their ownership.

5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (*) next to the names of those principal officers who will be involved in the Feasibility Study.

6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).

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

B. Offeror's Authorized Negotiator

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

C. Negotiation Prerequisites

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

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

D. Offeror's Representations

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

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

belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.

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 3 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 $3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

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 $3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

5. The 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: _____