

REQUEST FOR PROPOSALS

TECHNICAL ASSISTANCE FOR THE

RAILS SIGNALING AND TELECOMMUNICATIONS SYSTEMS

Submission Deadline: 2:00 PM, December 1st, 2011

LOCAL TIME (Jakarta, Indonesia)

**Submission Place: VP Signaling Telecommunication and Electricity
PT. KERETA API INDONESIA (PERSERO)
Jl. Perintis Kemerdekaan No. 1
Bandung 40117, Indonesia
Phone : +62 -22-4230031
Fax: +62-22-4203342**

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

REQUEST FOR PROPOSALS

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Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$593,954 to PT Kereta Api Indonesia (the "Grantee") in accordance with a grant agreement dated September 15th, 2011. (the "Grant Agreement"). This Grant would fund a Technical Assistance (the "Technical Assistance") to evaluate rail signaling and telecommunications systems (the "Project") in Indonesia (the "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 Technical Assistance.

1.1 BACKGROUND SUMMARY

PT Kereta Api Indonesia (PT KAI), Indonesia's state-owned rail operator, manages a network consisting of four unconnected rail systems on two of Indonesia's major islands, Java and Sumatra. Its current signaling system consists of both electronic and mechanical signaling and train control systems, much of which relies on outdated technology dating to its initial construction. For example, there are several main lines which utilize mechanical semaphore signals, which railways throughout the world abandoned decades ago because of cost, reliability and safety concerns. In certain areas, PT KAI has deployed relatively modern automatic block signals which make use of fiber optic communications (much of this equipment having been deployed under bilateral assistance packages, primarily from France, Spain, and the Netherlands). As a result the network now contains several different signaling systems of different age, manufacturer and reliability. The diversity of the current system translates into high maintenance costs and has also played a role in several serious accidents in recent years.

In the coming years, both freight and passenger traffic volumes are expected to grow significantly in Indonesia. Railway passenger traffic grew rapidly from 1987 until the Asian financial crisis in 1997, climbing from approximately 50 million passengers to nearly 200 million passengers at its peak in 2000. Traffic declined after that and only recently recovered; however, projected passenger traffic is expected to top 300 million over the next 13 to 15 years given population growth on Java, which represents 98 percent of all passenger trips, and urbanization. In terms of freight, traffic peaked at about 24 million tons in 1997, after which it declined to about 17 million tons and then remained relatively flat, only to grow again in the last two years.

If passenger traffic were to continue to follow prevailing trends, PT KAI would be carrying about 324 million passengers and over 26 million tons of freight by 2025. PT KAI daily passengers are set to increase from 500,000-600,000 today to some 1.5 million passengers by 2014, and throughout this growth, maintaining rail safety and efficiency will be of critical importance. In order to accommodate this growth, PT KAI will need to expand its network and make significant infrastructure investments, including new signaling systems, in order to increase efficiency. In order to accommodate higher train speeds and additional freight and passenger traffic, it will be necessary for PT KAI to commit to a system-wide modernization program in which mechanical signal systems are phased out and existing usable systems are better integrated. In addition, there is also interest in advanced technologies such as

on-board locomotive systems, positive train control and moving block signaling. According to the government's newly launched national economic corridors master plan for 2011 to-2025, Indonesia is now working to arrange a \$35.4 billion in investment to improve the country's rail-based transportation system, and the National Railway Master Plan identified baseline investments needed for existing signaling and telecommunications infrastructure to total \$1.3 billion (\$996 million for Java and \$293 million for Sumatra).

Portions of the background Definitional Mission is provided for reference in Annex 2.

1.2 OBJECTIVE

This technical assistance will assist PT Kereta Api Indonesia (PT KAI), Indonesia's state-owned rail company, in evaluating the development of rail signaling and telecommunications systems in Indonesia. This project would assist PT KAI in developing a strategic plan and specific system recommendations for upgrading its rail signaling and telecommunications network.

The Terms of Reference (TOR) for this Technical Assistance 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\$593,954. **The USTDA grant of \$593,954 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\$593,954 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called the *Rail Signaling and Telecommunications Systems Technical Assistance*.

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. Portions of this report are attached as 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 Technical Assistance.

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 Technical Assistance.

2.5 PROJECT FUNDING SOURCE

The Technical Assistance will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$593,954.

2.6 RESPONSIBILITY FOR COSTS

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

2.7 TAXES

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

2.8 CONFIDENTIALITY

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

2.9 ECONOMY OF PROPOSALS

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

2.10 OFFEROR CERTIFICATIONS

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

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

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

2.12 LANGUAGE OF PROPOSAL

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

2.13 PROPOSAL SUBMISSION REQUIREMENTS

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

President Director
(Mr. Ignasius Jonan)
PT. KERETA API INDONESIA (PERSERO)
Jl. Perintis Kemerdekaan No. 1
Bandung 40117, Indonesia
Phone : +62 -22-4230031
Fax: +62-22-4203342

An Original and eight (8) copies of your proposal must be received at the above address no later than 2:00 p.m., on December 1st, 2011.

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

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

2.14 PACKAGING

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

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

2.15 OFFEROR'S AUTHORIZED NEGOTIATOR

The Offeror must provide the 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.

2.16 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.

2.17 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.

2.18 EXCEPTIONS

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

2.19 OFFEROR QUALIFICATIONS

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

2.20 RIGHT TO REJECT PROPOSALS

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

2.21 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.

2.22 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.

2.23 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.

2.24 INVOICING AND PAYMENT

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

Section 3: PROPOSAL FORMAT AND CONTENT

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$593,954, which is a fixed amount.

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

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Firm Background Information,
- Completed U.S. Firm Information Form,
- 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 U.S. FIRM INFORMATION

A U.S. Firm Information Form in .pdf fillable format is attached to this RFP in Annex 6. The Offeror must complete the U.S. Firm Information Form and include the completed U.S. Firm Information Form with its proposal.

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 Technical Assistance. 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 Technical Assistance.

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 Technical Assistance.

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 Technical Assistance. 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 Technical Assistance as described in this RFP.

Section 4: AWARD CRITERIA

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors. The Grantee will notify USTDA of the best qualified Offeror, and upon receipt of USTDA's no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second most qualified Offeror and so forth.

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

1) Technical Approach and Work Plan (40% weighting).

Contractors must provide a Technical Approach and Work Plan, and within this document, describe how it will approach and conduct the Study. As part of the Technical Approach and Work Plan, the Contractor must commit to work on the Study as per the tasks, schedule, personnel and deliverables and related items as outlined in the TOR. It must provide written and signed commitments by each team member regarding scheduling availability (e.g., linked to specific calendar dates such as "October 2011 forward" or "October 15, 2011 forward"), and commit in writing that team members will retain their availability for the complete duration of the Study as per the TOR schedule. If a Contractor has resources or ideas as to how to enhance the TOR, it may submit these items for consideration as an enhancement to the requirements in the TOR, but the cost of the Study will remain Fixed Price in nature and will not be adjusted in any way to accommodate changes outside of these TOR. Further, Contractors may not substitute for any tasks, deliverables or scheduling plans included herein by suggesting additional resources, ideas or enhancements.

2) Qualifications (40% weighting) of each of the four key personnel, which must be supported with:

- Detailed resumes for each of the individuals; and,
- Supporting project and/or country examples of relevant work activities to the proposed assignment as described in the TOR and within the section on Contractor Qualifications, and a description of how these project and/or country examples provide evidence of competence and/or expertise as related to the proposed assignment and Contractor Qualifications.

3) Experience working with government, state-run organizations and/or the private sector in developing nations, preferably in the Asia region (20%).

Proposals that do not include all requested information may be considered non-responsive. Price will not be a factor in contractor selection.

ANNEX 1

FEDBIZOPPS ANNOUNCEMENT

ANNEX 1

FEDBIZOPPS ANNOUNCEMENT

PT KERETA API INDONESIA (PT KAI), JL. PERINTIS KEMERDEKAAN NO. 1,
BANDUNG, 40117, INDONESIA

B INDONESIA: RAIL SIGNALING AND TELECOMMUNICATIONS SYSTEMS
TECHNICAL ASSISTANCE PROJECT

POC Nina Patel, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. INDONESIA: RAIL SIGNALING AND TELECOMMUNICATIONS SYSTEMS TECHNICAL ASSISTANCE PROJECT The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms which are qualified on the basis of experience and capability to provide technical assistance to PT Kereta Api Indonesia that will assist PT KAI in evaluating the development of rail signaling and telecommunications systems in Indonesia.

1. Development of a strategic plan with regards to PT KAI's rail signaling and telecommunications systems programs;
2. Provide specific system recommendations with regards to potential rail signaling and telecommunications systems improvements and acquisitions.

PT Kereta Api Indonesia (PT KAI), Indonesia's state-owned rail operator, manages a network consisting of four unconnected rail systems on two of Indonesia's major islands, Java and Sumatra. Its current signaling system consists of both electronic and mechanical signaling and train control systems, much of which relies on outdated technology dating to its initial construction. For example, there are several main lines which utilize mechanical semaphore signals, which railways throughout the world abandoned decades ago because of cost, reliability and safety concerns. In certain areas, PT KAI has deployed relatively modern automatic block signals which make use of fiber optic communications (much of this equipment having been deployed under bilateral assistance packages, primarily from France, Spain, and the Netherlands). As a result the network now contains several different signaling systems of different age, manufacturer and reliability. The diversity of the current system translates into high maintenance costs and has also played a role in several serious accidents in recent years.

If passenger traffic were to continue to follow prevailing trends, PT KAI would be carrying about 324 million passengers and over 26 million tons of freight by 2025. PT KAI projects that daily passengers are set to increase from 500,000-600,000 today to some 1.5 million passengers by 2014 and that maintaining rail safety and efficiency will be critical. In order to accommodate this growth, PT KAI will need to expand its network and make significant infrastructure investments, including new signaling systems, in order to increase efficiency. In order to accommodate higher train speeds and additional freight and passenger traffic, it will be necessary for PT KAI to commit to a system-wide modernization program in which mechanical signal systems are phased out and existing usable systems are better integrated. In addition, there is also interest in advanced technologies such as on-board locomotive systems, positive train control and moving block signaling. According to the government's newly launched national economic corridors master plan for 2011 to 2025, Indonesia is now working to arrange a \$35.4 billion in investment to improve the country's rail-based transportation system, and the National Railway Master Plan identified baseline investments needed for existing signaling and

telecommunications infrastructure to total \$1.3 billion (\$996 million for Java and \$293 million for Sumatra).

The U.S. firm selected will be paid in U.S. dollars from a \$593,954 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 report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, go to: <https://www.ustda.gov/USTDA/FedBizOpps/RFP/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 2:00 PM will be mailed the same day. Requests received after 2:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP.

Interested U.S. firms should submit their Proposal in English directly to the Grantee no later than 2:00 p.m. (Jakarta, Indonesia time), on December 1st, 2011, at the above address. Evaluation criteria for the Proposal are included in the RFP. Requests for clarification on any aspect of the RFP should be directed to POC Nina Patel, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Any such request must be received no later than 2:00 p.m. (Jakarta, Indonesia time), on December 1st, 2011, in order to be honored. 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

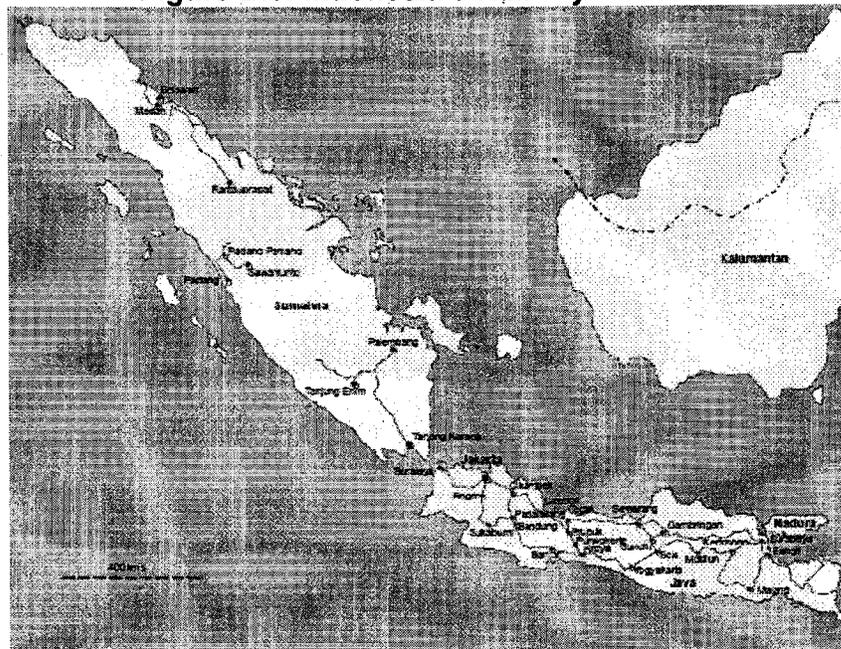
PORTIONS OF DEFINITIONAL MISSION REPORT

Rail Sector

The Indonesian government recognizes the importance of rail transport to economic development, and although it implemented several reforms in the 1990s with the objective of improving service, the network is still not functioning at a level needed to promote sustained growth. A number of legacy factors contribute to the ills of the railway, including geography and demographics; however, the root cause can be traced to its history as a state monopoly which did not invest adequately in infrastructure over several decades and is now struggling to maintain service for a rapidly growing population. While recent reforms have introduced some semblance of market forces into the sector, including the establishment of a state-owned enterprise, PT KAI, as the primary operator, the investments needed to establish the railway as a reliable entity are enormous. Within the context of this DM, this presents good opportunities for U.S. companies, as the railway historically has favored U.S. products such as locomotives.

The rail network consists of four unconnected rail systems on Java and Sumatra. There are reportedly about 6,000 kilometers (km) of track, of which about 4,500 km is currently in use. About 400 km is electrified track (for local commuter services in the Jakarta metropolitan area). Figure B.3 shows the rail network.

Figure B.3: Indonesia's Railway Network

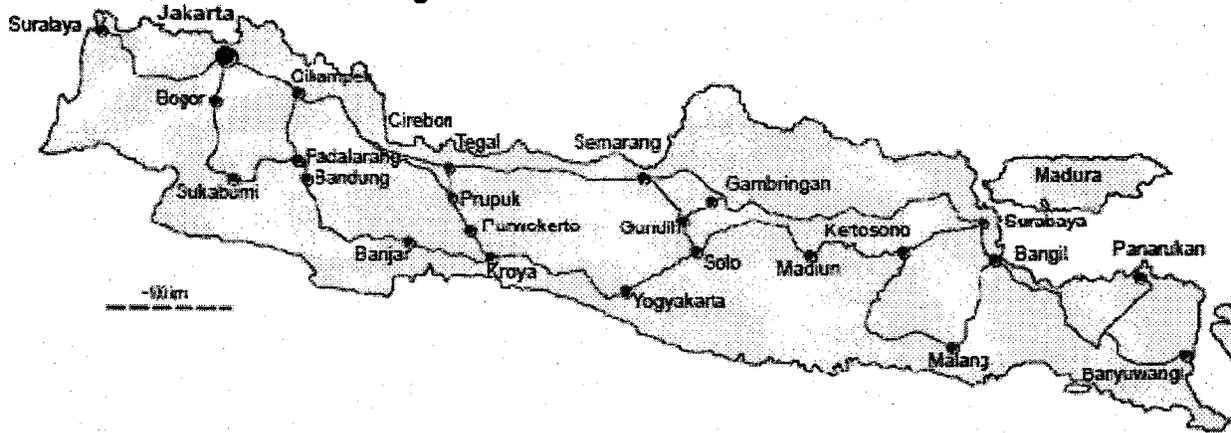


Source: National Railway Master Plan.

Most of the network is located on Java. From a technical standpoint, the railway is meter gauge, light axle load and mostly single track, features which restrict the network's capacity. To further complicate matters, a large mountain range essentially runs along the total length of the island, which makes interconnections both technically problematic as well as expensive. The distances between population centers are such that, should an effective railway network with interconnections be constructed, it would be required to essentially operate as an island-wide "urban" railway. Freight rail is expected to continue only on a

limited basis given the relatively short distances between population centers via maritime transportation, coupled with the fact that a relatively effective inter-coastal shipping network already exists.

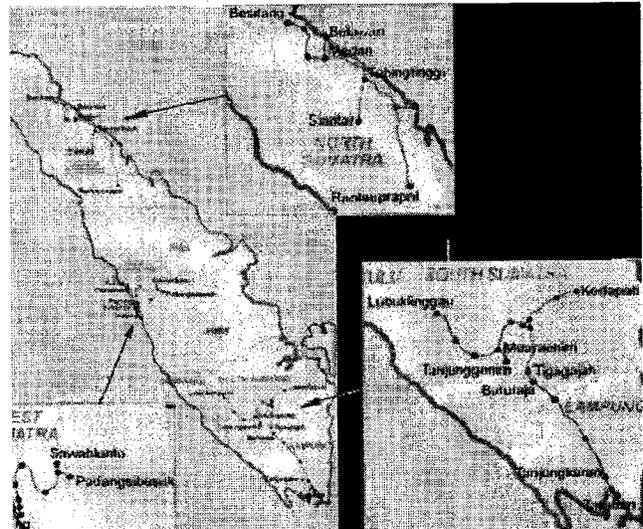
Figure B.4: Rail Network on Java



Source: National Railway Master Plan.

By comparison, on Sumatra distances are greater and the island possesses a much lower population density. In addition, Sumatra possesses substantial deposits of coal which are typically transported by rail. The railway currently consists of three widely separated sections which are generally regarded as inadequate to meet the needs of freight and passenger customers. The island has essentially two large cities (Medan, population 2 million, and Palembang, population 1.3 million) as well as several other cities with populations over 100,000. The northern city of Medan is only connected by road to the central cities of Pekanbaru and Padang, neither of which is connected by rail to the southern cities of Palembang and Bandar Lampung. There has been increased interest recently in linking these connections and to establish an island-wide rail line, though this is not likely to occur in the short to medium term.

Figure B.5: Rail Network on Sumatra



Source: National Railway Master Plan.

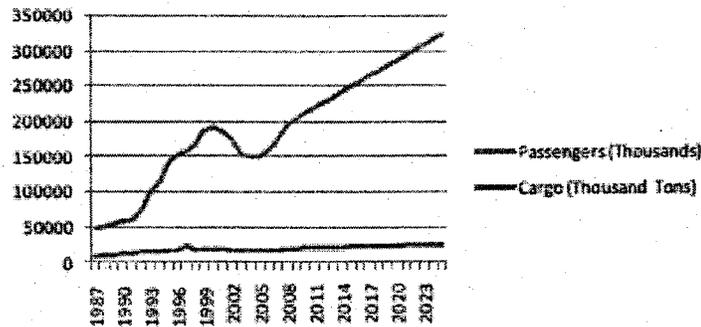
Rail development on Kalimantan and Sulawesi has been discussed; however, there appears to be limited progress to date. Short to medium term development is likely to consist only of branch lines connecting mining and forestry operations to various seaports. Kalimantan also possesses vast reserves of coal and other minerals, and while mine operators currently transport most products by barge, new mining developments are being developed in the interior with no access to inland water transport.

Throughout the world, rail transport is generally promoted for its ability to handle three types of customers: (1) heavy freight, as in hauling large volumes of cargo over long distances, (2) mid-range passenger, as in moving large numbers of passengers over medium distances (200-800 km), and (3) short-range passengers through densely populated areas, as in moving commuters in large cities. However, in the case of Indonesia (like other island economies), geographical and demographic factors have meant that the railway has not been able to capture markets in which it would normally flourish. While it is unreasonable for Indonesia to achieve rail service comparable to non-island countries with large contiguous jurisdictions and little competition from inland waterways and inter-island transportation, a lack of adequate investment in the rail network has further hampered the development of the sector.

Despite recent railway passenger growth, PT KAI's market share has stagnated or even declined due to significant structural changes taking place in the rest of the transport sector, including the rise of low cost airlines, increased car ownership and construction of new expressways. In urban areas, rail passenger service must compete with buses (and mini-buses), and cars/motorcycles. For longer distances, rail competes with both air and road transport (and both have become increasingly competitive, although highway congestion has begun to diminish that sector's competitiveness). In Jakarta, rail services are often overcrowded and uncomfortable, but inexpensive. For intercity transport, rail is more expensive than bus transport, and usually slower as well; however, it has retained a share of the market because it is considered safer and more comfortable. In terms of freight services, rail is at a disadvantage for two main reasons: (1) relatively short haul distances and (2) low axle loads. Freight rail achieves its competitive advantage over great distances; in the case of Indonesia, average haul lengths are about 250-300 km, making road transport and even inter-coastal shipping a cheaper option. Low axle loads limit the amount of freight that can be carried on the railway, further limiting its competitive advantage over road transport.

Despite the loss of market share, however, the overall population growth and urbanization on Java has led to increased passenger traffic on the railway. Further, in the coming years, passenger traffic is expected to grow significantly (freight traffic is also projected to increase, though not as dramatically). Railway passenger traffic grew rapidly from 1987 until the Asian financial crisis in 1997, climbing from approximately 50 million passengers to nearly 200 million passengers at its peak in 2000. Traffic declined after that and only recently recovered to approximately 200 million passengers. Java traffic represents 98 percent of all passenger trips. In terms of freight, traffic peaked at about 24 million tons in 1997, after which it declined to about 17 million tons and then remained relatively flat, only to grow again in the last two years. Given projected population growth and urbanization on Java, the National Railway Master Plan estimates that PT KAI will be carrying about 324 million passengers and over 26 million tons of freight by 2025, as shown in Figure B.6. In order to accommodate this growth, PT KAI will need to expand vastly its network and make significant investments, such as new track, rolling stock and signaling systems, in order to increase efficiency.

Figure B.6: PT KAI Traffic Trend, 1987-2008 (Projected to 2025)



Source: National Railway Master Plan

Given these trends, to develop an integrated transportation policy will require a massive investment in the railways, not only for intercity but also for urban railways. Many of the bilateral and multilateral aid agencies have funded the development of investment plans (particularly for urban railways), but few projects have actually been funded. The network's overwhelming composition of meter gauge track, coupled with the track's strong curvature (as a result of the mountainous terrain) will limit the speed of passenger trains. As illustration, the 173 km Jakarta-Bandung train takes approximately three hours, but the same route via road is only about two hours. With future highway investment and the proposed construction of a diagonal expressway, the travel time by road is anticipated to be reduced to only one hour, which would likely mean the effective end of the Jakarta-Bandung route.

In terms of rolling stock, PT KAI possesses approximately 560 diesel-electric locomotives, 30 four-car electrical multiple units (EMUs), 130 diesel-electric rail cars for passenger services, 1,200 locomotive-hauled passenger coaches, and about 10,000 freight wagons (most of which are 2-axle). According to the National Railway Master Plan, new investment is needed across the board as shown in Table B.4:

Table B.4: Needed Rolling Stock Investments, 2011-2025

Rolling Stock Type	Average Age (years)	USD (million) for Equipment to be Replaced Now	USD (million) for Additional Replacements by end of Period
Locomotives	26.4	\$ 620	\$ 330
DMUs	17.2	\$ 133	\$ 133
EMUs	12.0	\$ 91	\$ 660
Coaches and other loco-hauled	27.4	\$ 1,000	\$ 1,500
Freight Wagons	34.6	\$ 111	\$ 138
Total		\$ 1,945	\$ 2,761

Source: National Railway Master Plan

While U.S. equipment is highly respected and forms a significant part of the overall network (the locomotive fleet is predominantly U.S.-made), foreign competition has been growing in recent years. A large proportion of the line haul locomotives were manufactured by either Electro-Motive Diesel (EMD) or GE. GE has a joint venture agreement with an Indonesian government-owned factory to assemble locomotives, and this willingness to establish such a JV has likely contributed to GE's ability to maintain market share. Both GE and EMD are in the running to supply up to forty new locomotives to PT KAI, along with Canada's Bombardier. In 1995, Japan developed a plan for a modern standard gauge railway that could be competitive with the highways in terms of time; however, the cost was estimated at approximately \$1 billion (and with current executive class train fare averaging only \$20, the project was rejected as not economically viable). Japan has provided assistance toward establishing a new rail line which would connect downtown Jakarta with Soekarno-Hatta International Airport. Chinese influence in the rail sector continues to grow throughout the region; however, in Indonesia, Chinese companies have yet to significantly penetrate the market in terms of locomotives and other equipment. European companies have also been involved in the sector and have supplied PT KAI with new signaling systems on certain route segments.

Feasibility Study to Improve the Railway Signaling and Telecommunications System

Background/Project Description

PT Kerata Api Indonesia (PT KAI), Indonesia's state-owned rail operator, manages a network consists of four unconnected rail systems on two of Indonesia's major islands, Java and Sumatra. Its current signaling system consists of both electronic and mechanical signaling and train control systems, much of which relies on outdated technology which dates to its initial construction. For example, there are several main lines which utilize mechanical semaphore signals, which modern railways throughout the world had abandoned decades ago because of cost, reliability and safety concerns. In certain areas, PT KAI has deployed relatively modern automatic block signals which make use of fiber optic communications (much of this equipment having been received under bilateral assistance packages, primarily from Europe). As a result the network now contains several different signaling systems of different age, manufacturers and reliability. The diversity of the current system translates into high maintenance costs and has also played a role in several serious accidents in recent years.

Signaling systems, while having gone through significant changes especially in recent years, are essentially deployed in order to maximize efficiency on the rail network. They consist of both physical infrastructure and operational practices which control and manage traffic in a way that maximizes efficiency and minimizes accidents. If trains are run too close together, there is a high risk for accidents; in contrast, trains which run too far apart result in inefficient use of the network (with less service and higher costs). Signaling systems continue to evolve to this day with a mix of old and new technologies applied in various combinations across many systems depending on the characteristics of the traffic and routes. Today, modern railways typically will employ a system of centralized traffic control in which a dispatcher controls the clearing of signals for train operations and maintains watch over segments within the network in the event of incidents which cause scheduled

timetables to be adjusted. Currently under development are even more advanced systems such as automatic train control and positive train control which utilize advanced software, trackside monitoring and wireless communications in order to achieve objectives in an automated fashion.

In the coming years, both freight and passenger traffic are expected to grow significantly in Indonesia. Railway passenger traffic grew rapidly from 1987 until the Asian financial crisis in 1997, climbing from approximately 50 million passengers to nearly 200 million passengers at its peak in 2000. Traffic declined after that and only recently recovered to approximately 200 million passengers; however, projected passenger traffic is expected to top 300 million over the next 25 years given population growth on Java and urbanization. Java traffic represents 98 percent of all passenger trips. In terms of freight, traffic peaked at about 24 million tons in 1997, after which it declined to about 17 million tons and then remained relatively flat, only to grow again in the last two years.

If passenger traffic were to continue to follow prevailing trends, PT KAI would be carrying about 324 million passengers and over 26 million tons of freight by 2025. In order to accommodate this growth, PT KAI will need to expand vastly its network and make significant investments, such as new signaling systems, in order to increase efficiency. In order to accommodate higher train speeds and additional freight and passenger traffic, it will be necessary for PT KAI to commit to a system-wide modernization program in which mechanical signal systems are phased out and usable systems are better integrated. In addition, there is also interest in advanced technologies such as on-board locomotive systems, positive train control and moving block signaling.

This FS would assist PT KAI in developing a strategic plan for upgrading its signaling and telecommunications network. As human capacity with respect to advanced signaling and telecommunications systems is limited, the FS would include workshops in Indonesia on topics of particular importance, as well as the development of a U.S.-based training program/reverse trade mission that could be conducted by an IQC Contractor in conjunction with the FS.

Project Sponsor's Capabilities and Commitment

While DGR owns the signaling/telecommunications infrastructure, PT KAI manages its maintenance and is more involved in the decision-making with respect to system upgrades. Therefore, PT KAI represents the most appropriate Grantee. PT KAI expressed support for the FS, confirming that most of the network was in need of an upgrade and that there was not a comprehensive plan in place. PT KAI has demonstrated a commitment to modernizing its operations, best exhibited by its stated plans to purchase up to 40 new locomotives in 2011. However, as evidenced by the continued use of outdated systems, PT KAI has also shown that, in the absence of bilateral assistance, signaling and telecommunications system upgrades have not been a priority. Therefore, it is unclear what level of commitment PT KAI would attribute to Project implementation without a favorable financing package.

Implementation Financing

PT KAI receives an annual budget from DGR for capital improvements and equipment purchases; however, with such a major investment needed, the company would need additional outside financing. In the case of the upcoming locomotive purchase, PT KAI is in discussions with several banks to provide loan funding; in this case it would likely do the same in a gradual approach focusing on a few segments at a time. In addition, the U.S. Export-Import Bank has provided loan guarantees for equipment purchases of this nature in the past. These represent the most likely sources of funding for upgrades to the signaling system.

In the immediate term, TERA views participation from international finance institutions such as the World Bank and Asian Development Bank as unlikely, given that neither institution is currently providing assistance to the rail sector. However, TERA discussed rail sector issues extensively with both institutions during the field mission, and both indicated that they may re-examine their participation in the sector.

U.S. Export Potential

The National Railway Master Plan identified baseline investments needed to existing signaling/telecommunications infrastructure, presented in Table C.6. The amount per route kilometer can vary depending on the technology, type of traffic on the route, and existing infrastructure. The National Railway Master Plan estimates a cost of \$4 million per block (a segment of line usually about 10 km) for single track lines and \$6 million per block for double track lines, in addition to communications and station drops. The total estimate from the Master Plan (total network investment) is \$1.3 billion (\$996 million for Java and \$293 million for Sumatra). TERA estimates that of this total amount, approximately 15-25 percent can consist of U.S. equipment, for a total U.S. export potential of \$258.2 million.

Table C.6: Signal Improvement Cost Estimates

Signal Improvement Estimate

Jakarta - Surabaya	Kms	Block Length	Cost/Block	No of Blocks	\$ m
Kilometers single track	492.0	5.0	4.0	99.0	396.0
Kilometers, double track	239.8	10.0	6.0	24.0	144.0
Coms Drops			0.1	123.0	12.3
Station Drops		20.0	0.3	37.0	9.3
Total	731.8				\$561.6

Signal Improvement Estimate

Jakarta - Bandung - Surabaya	Kms	Block Length	Cost/Block	No of Blocks	\$ m
Kilometers single track	676.3	10.0	4.0	68.0	272.0
Kilometers, double track	113.0	10.0	6.0	12.0	72.0
Coms Drops			0.1	80.0	8.0
Station Drops		20.0	0.3	40.0	10.0
Total	789.3				\$362.0

Signal Improvement Estimate

Cirebon - Kroya	Kms	Block Length	Cost/Block	No of Blocks	\$ m
Kilometers single track	158.0	10.0	4.0	16.0	64.0
Kilometers, double track		10.0	6.0	1.0	6.0
Coms Drops			0.1	17.0	1.7
Station Drops		20.0	0.3	8.0	2.0
Total	158.0				\$73.7

Signal Improvement Estimate

Sumarta Main Lines	Kms	Block Length	Cost/Block	No of Blocks	\$ m
Kilometers single track	657.5	10.0	4.0	66.0	264.0
Kilometers, double track		10.0	6.0	1.0	6.0
Sig Coms Drops			0.1	67.0	6.7
Station Drops		10.0	0.3	66.0	16.5
Total	657.5				\$293.2

Source: National Railway Master Plan.

Signaling systems consist of a variety of goods such as networked computer systems, railway track components and transmission/receiving equipment; in addition, specialized software and engineering services would also be needed for Project implementation. While these systems generally exhibit core capabilities, they are usually customized based on operator needs and therefore may vary significantly depending on requested specifications and performance requirements. U.S. suppliers include GE, Ansaldo (which purchased

Union Switch & Signal), Wabtec Railway Electronics, Invensys (which purchased Safetran Systems), Alstom (through its acquisition of General Signal Corporation), Lockheed Martin, Meteor Communications and Railcomm. While Ansaldo, Alstom and Invensys are foreign firms, a portion of their manufacturing is in the United States through their acquisitions of the aforementioned companies (however it is unclear where a potential sale to Indonesia would be sourced from).

Foreign Competition and Market Entry Issues

There are no market barriers to entry associated with this project; however, foreign suppliers such as Siemens (Germany), Westinghouse Rail Systems (U.K., also owned by Invensys) and Alstom (France) have already provided systems for several segments on the network. Bombardier (Canada) is another manufacturer with known interest in the Indonesian market, as it is one of the shortlisted companies to provide new locomotives to PT KAI.

Developmental Impact

A modern signaling and telecommunications system is essential to any rail operator's success and to economic development. Antiquated systems, such as those employed on numerous segments of the Grantee's network, hamper overall efficiency, require higher levels of maintenance, and lead to higher operating costs. In addition, outdated systems negatively impact safety on the network, and PT KAI has experienced several accidents in which inadequate signaling/train control was a factor. This project would help PT KAI to develop a plan to deploy advanced signaling/telecommunications systems throughout its network, thus addressing all of these issues, leading to positive developmental impacts in the areas of Infrastructure, Technology Transfer/Productivity Improvement and Human Capacity Building. The most direct benefit would be improvements to PT KAI's signaling/telecommunications system, which is outdated and in need of significant investment. By increasing safety and efficiency on the network, productivity should increase across a number of industry sectors which are dependent on efficient transportation of goods and passengers. As noted, road traffic on Java has exponentially increased in recent years, and a more competitive railway will help to ease traffic congestion by shifting traffic from the roads to the rail network. Such a shift would help to reduce overall transport costs and time, reduce road traffic accidents and reduce emissions from road vehicles. Instituting a system-wide upgrade would also entail training PT KAI's engineers and other laborers on modern industry maintenance practices.

Impact on the Environment

New signaling/telecommunications systems can be installed on existing Grantee land with minimal impact on the environment. Rather, environmental benefits are expected to result based on greater efficiency on the rail network, i.e., a modal shift whereby PT KAI captures an increasing share of freight and passenger traffic that would otherwise travel by roads. The most notable environmental benefit is reductions in fuel use and emitted pollutants as trains can move significantly more passengers and tons of freight per unit of distance for the same amount of transport fuel being burned (2-4 times less fuel and 2-3 times less emissions per freight ton-mile moved).

Impact on U.S. Labor

This project would not negatively affect the U.S. labor market, i.e., it would not (a) provide financial incentive to a business enterprise currently located in the United States to relocate, (b) violate internationally recognized worker rights, or (c) assist in establishing or expanding production of an exportable product which could cause injury to U.S. producers. Rather, the U.S. labor market should be positively impacted through increased exports and associated job creation.

Table C.7: FS to Improve the Railway Signaling and Telecommunications System Budget

Task	Railway Signaling Engineer (TL)	Rail Telecommunications/ Train Control Specialist	Rail Operations Specialist	Economist/Financial Analyst
1 Data Collection and Analysis	20	20	15	12
2 Training Program Development	25	20	12	7
3 Legal and Regulatory Analysis	7	7		
4 Field Surveys	20	20	20	
5 Develop Performance Requirements and Recommend System	12	12	12	
6 Economic Analysis				15
7 Financial Analysis				15
8 Develop Tender Specifications	10	7		
9 Initial Environmental Impact Assessment	2			
10 Development Impacts Assessment	5			
11 Implementation Plan	7	7	7	
12 Final Report	10	10	5	5
Total Labor Days	118	103	71	54

Total Labor Cost	\$450,600
Total Other Direct Costs	\$143,354
Total Project Cost	\$593,954

Daily Rate	\$1,500	\$1,200	\$1,200	\$1,200
Total Labor Cost	\$177,000	\$123,600	\$85,200	\$64,800

Other Direct Costs	Unit	Number	Unit Cost	Total
National Experts	Lump Sum			\$45,000
International Air	Trips	10	\$2,500	\$25,000
Domestic Air	Per Trip	12	\$300	\$3,600
Ground Transport	Months	5	\$500	\$2,500
Per Diem (Bandung)	Days	228	\$133	\$30,324
Per Diem (Other)	Days	55	\$146	\$8,030
Translators	Months	5	\$2,500	\$12,500
Visas (3 multiple entry)	Each	4	\$100	\$400
Reproduction/Binding	Lump Sum			\$2,000
Courier Services	Lump Sum			\$2,000
Communications	Months	5	\$500	\$2,500
Project Office Operations	Months	5	\$0	\$0
Workshop Expenses	Per Workshop	5	\$500	\$2,500
Medex Insurance (\$27/person 1-10 days)	10-day	35	\$27	\$934
DBA Insurance (\$1.66 per \$100 labor)	Lump Sum			\$6,066
Total Other Direct Costs				\$143,354

Budget Narrative

Direct Labor (Primary Contractor)

As noted, the Contractor will need the following staff for this assignment: (i) Railway Signaling Engineer (Team Leader), (ii) Rail Telecommunications/Train Control Specialist, (iii) Railway Operations Specialist, and (iv) Economist/Financial Analyst. In TERA's experience, these specialists typically bill at the following rates:

- Railway Signaling Engineer: \$1,500/day
- Rail Telecommunications/Train Control Specialist: \$1,200/day
- Railway Operations Specialist: \$1,200/day
- Economist/Financial Analyst: \$1,200/day

These are fully loaded rates, i.e., inclusive of overhead and fringe benefits, which vary by firm. The total days for each position and overall labor calculation is provided below:

Railway Signaling Engineer (TL) \$177,000	118 days	X	\$1,500/day	=
Rail Telecom/Train Control Specialist \$123,600	103 days	X	\$1,200/day	=
Railway Operations Specialist \$85,200	71 days	X	\$1,200/day	=
Economist/Financial Analyst \$64,800	54 days	X	\$1,200/day	=
SUBTOTAL DIRECT LABOR (1)				=
				\$450,600

Other Direct Costs

National Experts

National experts (domestic consultants) provide useful insight into local conditions. Typically, each international consultant has a domestic counterpart (although not required). For a project of this duration, a lump sum contract in the amount of \$45,000 should be sufficient in order to attain the sufficient level of expertise.

SUBTOTAL =
\$45,000

International Air Travel

Ten round-trip international flights are anticipated to be necessary, including three each for the Railway Signaling Engineer (TL) and Railway

Telecommunications/Train Control Specialist and two each for the Railway Operations Specialist and Economist/Financial Analyst. In TERA's view, most work should be conducted in Indonesia. International economy class fares from the United States to Indonesia typically do not exceed \$2,500; therefore, this line item was calculated as follows:

Railway Signaling Engineer (TL) \$7,500	3 trips	X	\$2,500	=
Rail Telecom/Train Control Specialist \$7,500	3 trips	X	\$2,500	=
Railway Operations Specialist \$5,000	2 trips	X	\$2,500	=
Economic and Financial Analyst \$5,000	2 trips	X	\$2,500	=
			SUBTOTAL	=
			\$25,000	

Domestic Travel

The Contractor will need to travel to various segments of PT KAI's network in order to conduct physical inspections. TERA estimated twelve trips at \$300/trip.

SUBTOTAL	=
\$3,600	

Local Transport (Ground)

A car/driver can be procured in Bandung for approximately \$500/month. For the five-month project period, this equates to \$2,500.

SUBTOTAL	=
\$2,500	

Per Diem

The official U.S. government maximum per diem rate for Bandung is \$133, and the rate for other cities not listed is \$146. TERA estimated that the Contractor will need to be in Bandung 80 percent of the time (or 228 days), with the remaining 20 percent (55 days) in other locations (for site surveys). Therefore, total per diem was calculated by multiplying the per diem rates by the number of days.

Bandung	228 days	X	\$133/day	=	\$30,324
Other	55 days	X	\$146/day	=	\$8,030

SUBTOTAL =
\$38,354

Interpretation/Translation

While an interpreter may not be necessary for the project, one may be needed in certain circumstances. In addition, there will be a need to translate interim reports and the Final Report. This position can be filled for \$2,500/month; therefore, the total for the five-month period is therefore \$12,500.

SUBTOTAL =
\$12,500

Reproduction/Binding

TERA has estimated this expense, related to the processing of interim deliverables and the Final Report, at \$2,000.

SUBTOTAL =
\$2,000

Courier Services

TERA has estimated this expense, related to the delivery of documents, interim deliverables and the Final Report, at \$2,000.

SUBTOTAL =
\$2,000

Communications

This represents telephone, fax and internet usage for the duration of the project.

SUBTOTAL =
\$2,500

Project Office Operations

It is anticipated that PT KAI will allow the Contractor to work out of its offices in Bandung, and therefore no funds have been applied for this purpose.

SUBTOTAL = \$0

Workshop Expenses

As noted in the TOR, the Contractor should organize at least five (5) workshops in Indonesia for PT KAI staff. As PT KAI will likely want these workshops held at its office (at no cost to the Contractor), only a minimal amount (\$500/workshop) for refreshments is included for this line item.

SUBTOTAL =
\$2,500

Medex Insurance

Medex insurance was quoted to TERA at a rate of \$27 per person for 1-10 days.

SUBTOTAL = \$832

Defense Base Act (DBA) Insurance

TERA estimated DBA Insurance based on the amount listed on USTDA's website, i.e., \$1.66 per \$100 of employee labor.

SUBTOTAL =
\$5,383

SUBTOTAL OTHER DIRECT COSTS (2) =
\$143,354

SUBTOTAL DIRECT LABOR (1) = \$450,600

SUBTOTAL OTHER DIRECT COSTS (2) = \$143,354

TOTAL BUDGET (1 + 2) = \$593,954

ANNEX 3

USTDA NATIONALITY REQUIREMENTS



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

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

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

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

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

NATIONALITY:

1) Rule

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

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

2) Application

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

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

3) Definitions

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

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

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

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

SOURCE AND ORIGIN:

1) Rule

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

2) Application

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

3) Definitions

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

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

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

ANNEX 4

USTDA GRANT AGREEMENT INCLUDING MANDATORY CLAUSES

GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and PT Kereta Api Indonesia ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US \$593,954 ("USTDA Grant") to fund the cost of goods and services required for Technical Assistance ("TA") on the proposed Rail Signaling and Telecommunications Systems Project ("Project") in Indonesia ("Host Country").

1. USTDA Funding

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

2. Terms of Reference

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

3. Standards of Conduct

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

4. Grantee Responsibilities

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

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5. USTDA as Financier

(A) USTDA Approval of Competitive Selection Procedures

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

(B) USTDA Approval of Contractor Selection

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

(C) USTDA Approval of Contract Between Grantee and Contractor

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

(D) USTDA Not a Party to the Contract

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

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

(E) Grant Agreement Controlling

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

6. Disbursement Procedures

(A) USTDA Approval of Contract Required

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

(B) Contractor Invoice Requirements

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

7. Effective Date

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

8. Study Schedule

(A) Study Completion Date

The completion date for the Study, which is September 30, 2014, is the date by which the parties estimate that the Study will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

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

9. USTDA Mandatory Clauses

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

10. Use of U.S. Carriers

(A) Air

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

(B) Marine

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

11. Nationality, Source and Origin

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

12. Taxes

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

13. Cooperation Between Parties and Follow-Up

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (as defined in Clause I of Annex II), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status or results of the Project, and upon receipt by the Grantee of the Final Report, will designate (by both title and organization) a point of contact for any such inquiries.

14. Implementation Letters

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

15. Recordkeeping and Audit

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

16. Representation of Parties

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

17. Addressés 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: PT Kereta Api Indonesia (PT KAI)
Jl. Perintis Kemerdekaan No. 1
Bandung 40117 Indonesia

Phone: +66 21 3849967
Fax: +66 21 3848427

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 11/12 1001
Activity No.: 2011-31026A
Reservation No.: 2011317
Grant No.: GH201141317

18. Termination Clause

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

19. Non-waiver of Rights and Remedies

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

20. U.S. Technology and Equipment

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

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IN WITNESS WHEREOF, the Government of the United States of America and PT Kereta Api Indonesia, 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.

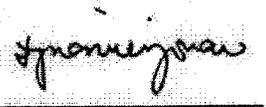
**For the Government of the
United States of America**

By: 

*Scot Marciel
U.S. Ambassador to the
Republic of Indonesia*

Date: September 15, 2011

**For PT. Kereta Api
Indonesia**

By: 

*Ignatius Jonan
President Director*

Date: September 15, 2011

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

FINAL

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Annex II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this contract acknowledge that this contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and PT Kereta Api Indonesia ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the technical assistance ("TA") for the Rail Signaling and Telecommunications Systems project ("Project") in Indonesia ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

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

(2) USTDA Not a Party to the Contract

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

bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

C. Nationality, Source and Origin

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

D. Recordkeeping and Audit

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

E. U.S. Carriers

(1) Air

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

(2) Marine

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

F. Workman's Compensation Insurance

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

G. Reporting Requirements

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

H. Disbursement Procedures

(1) USTDA Approval of Contract

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

(2) Payment Schedule Requirements

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

(3) Contractor Invoice Requirements

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

USTDA to the Contractor for performance of the contract by submitting the following to USTDA:

(a) Contractor's Invoice

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

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

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

(ii) For contract performance milestone payments:

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

(iii) For final payment:

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

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

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

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

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

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

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

(c) USTDA Address for Disbursement Requests

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

(4) Termination

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

I. USTDA Final Report

(1) Definition

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

(2) Final Report Submission Requirements

The Contractor shall provide the following to USTDA:

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

and

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

and

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

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

(3) Final Report Presentation

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

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

"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U. S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement.

Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

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

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

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

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

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

J. Modifications

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

K. Study Schedule

(1) Study Completion Date

The completion date for the Study, which is September 30, 2014, is the date by which the parties estimate that the Study will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

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

L. Business Practices

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

M. USTDA Address and Fiscal Data

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

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

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

Fiscal Data:

Appropriation No.: 11 11/12 1001
Activity No.: 2011-31026A
Reservation No.: 2011317
Grant No.: GH201141317

N. Definitions

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Grant Agreement.

O. Taxes

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

ANNEX 5

TERMS OF REFERENCE (FROM GRANT AGREEMENT)

Terms of Reference: Indonesia Rail Signaling and Telecommunications Technical Assistance

The objective of the TA is to assist PT Kereta Api Indonesia (PT KAI) in developing a strategic plan for upgrading its signaling and telecommunications network. In addition to the typical feasibility analyses including technical requirements, economic and financial analysis and the development of specifications, an important component of the study would be training in operations and maintenance of advanced systems. As human capacity with respect to advanced signaling and telecommunications systems is limited, the TA would also include workshops in Indonesia (Host Country) on topics of particular importance.

Task 1: Data Collection and Analysis

- 1.1 The Contractor shall collect and review data on the Grantee's network and operations, including but not limited to:
- infrastructure;
 - rolling stock;
 - signaling, control and telecommunications;
 - current routes with electric traction and any plans for upgrading or capacity expansion (e.g., the Jakarta electrified line);
 - systems interfaces;
 - operations practices and management; and
 - social and environment

The Contractor shall focus on the current status of the signaling and telecommunications network, including any recent upgrades, and identify areas of the network which utilize outdated infrastructure and/or signaling/telecommunications/train control systems. The Contractor shall determine the size and ownership of all telecommunications lines which the Grantee utilizes.

- 1.2 The Contractor shall identify specific areas within the overall network that are in need of upgrade based on operational inefficiency and safety incidents related to signaling and telecommunications. The Contractor shall discuss in detail with the Grantee any safety incidents which were attributed to signaling/telecommunications/train control issues. The Contractor shall review data with respect to maximum speed and on-time performance of each rail corridor in order to assess which corridors are not operating at optimum performance due to outdated signaling and/or telecommunications systems.
- 1.3 The Contractor shall assess Grantee maintenance practices with respect to the signaling and telecommunications network and identify areas of need. This task shall include an assessment of not only work practices and spare parts quality and availability but also databases for network condition and spare parts inventory, and

personnel skills and knowledge. The Contractor shall recommend improvements including but not limited to training and improved spare parts availability.

- 1.4 The Contractor shall review current data for traffic, revenue and expenditures for each line, as well as the Grantee's detailed projections for these items over the next twenty years. The Contractor shall review with the Grantee any current or planned network improvements.

Task 1 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 1 and present it to the Grantee for review and comment.

Task 2: Field Surveys

- 2.1 The Contractor shall conduct a field survey of a minimum (3) corridors (to be determined in collaboration with the Grantee), focusing on signaling and telecommunications infrastructure and traffic management procedures. This task shall include:
- physical inspection of the corridors;
 - inspection of the centralized operation center and applicable regional dispatch centers (including an examination of the facilities and interviews with management and key staff);
 - inspection of selected or representative terminals, yards, stations and associated interlockings;
 - inspection of at least one electrified route with special attention as to the special requirements for signaling and telecommunications on such routes; and
 - inspection of representative rolling stock in use on the corridors.

The Contractor shall provide more information on the current state of the network, and recommend solutions.

Task 2 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 2 and present it to the Grantee for review and comment.

Task 3: Legal and Regulatory Analysis

- 3.1 The Contractor shall research the various Host Country government agencies involved with the operation and safety of the railway, including but not limited to the Directorate General of Railways (DGR) and the National Transportation Safety Committee (KNKT). The Contractor shall identify relevant laws, regulations and standards currently applicable to signaling and rail traffic control on the Grantee's network.
- 3.2 The Contractor shall review current railway specifications and code of practice for existing signaling and telecommunications systems and adjustments, if any, for planned future upgrades.

- 3.3 The Contractor shall review Host Country telecommunications laws and regulations and determine how the Grantee could utilize its network to generate revenue from telecommunications or its right of way to help fund infrastructure improvements.

Task 3 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 3 and present it to the Grantee for review and comment.

Task 4: Project Workshops

- 4.1 Based on the data reviewed in Task 1 and an assessment of Grantee capabilities, the Contractor shall develop a training program to be conducted in the Host Country. The program shall consist of classroom seminars/workshops and, if appropriate, site visits. These workshops shall be conducted at various points throughout the Study, at a time to be determined following consultations with the Grantee.
- 4.2 In collaboration with senior management of the Grantee and DGR, the Contractor shall recommend appropriate Grantee and DGR staff to participate in the workshops.
- 4.3 The Contractor shall work with the Grantee to develop appropriate topics and the Contractor shall conduct the workshops in the Host Country. Topics at a minimum shall include the following:
- The different types of appropriate signaling systems and their relative capital and maintenance costs;
 - The specialized signaling and telecommunications requirements on electrified rail routes;
 - The relationship between signal technology and line capacity and safety;
 - Radio block systems;
 - Highway crossing protection;
 - Centralized versus decentralized dispatching;
 - Computer-assisted dispatching;
 - Software for signaling system design and train management;
 - Positive train control;
 - Approaches to signal maintenance;
 - Integrating telecommunications with signaling systems; and
 - Revenue generation from railway-owned telecommunications systems.
- 4.4 The Contractor shall organize and execute five (5) workshops. Each workshop should not exceed 1-2 days in duration. The Grantee shall provide the meeting venue for the workshops (i.e., rental of conference facilities will not be necessary). The Grantee shall provide refreshments for the workshop participants (participation for each workshop is not expected to exceed thirty (30) persons).
- 4.5 The Contractor shall discuss U.S. sources of supply during any workshop in which there is a discussion of technologies/equipment needs. The Contractor shall invite representatives from U.S. companies to participate where appropriate.

Task 4 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 4 and present it to the Grantee for review and comment.

Task 5: Develop Performance Requirements and Recommend System

- 5.1 Using the data collected in the above tasks, the Contractor shall determine signaling and telecommunications requirements for the network. Specific attention shall be paid to routes that are currently electrified and any plans for increasing capacity. The performance requirements shall be determined for a period of twenty years. These performance requirements will be used to determine appropriate systems and practices options, and will take into account current signaling and telecommunications infrastructure, current and projected traffic levels, current and projected train speeds and operating plans, and current plans for maintenance and capital investment.
- 5.2 Based on the data collected in the above tasks, the Contractor shall recommend an appropriate system or systems. The Contractor shall develop a technical plan and cost estimate for each recommended system, including all necessary central control, wayside, onboard and communications system links and the corresponding key physical components and quantities. The cost estimate shall include not only initial implementation but also maintenance costs (including parts and labor) over the full projection period.
- 5.3 The Contractor shall develop a best estimate of potential procurement of U.S. goods and services for Project implementation. This estimate should be supported by a breakdown by category and dollar value of goods and services likely to be imported for the Project and an illustrative list of potential U.S. suppliers for those goods and services listed as likely U.S. exports. The Contractor shall include a summary of its discussions with potential U.S. suppliers with interest in providing goods and/or services during Project implementation.

Task 5 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 5 and present it to the Grantee for review and comment.

Task 6: Economic Analysis

- 6.1 The Contractor shall conduct a comprehensive economic analysis of the Project. It shall estimate costs for all equipment, labor, and other items needed for the Project. In addition, the Contractor shall tabulate commercial benefits to the Grantee (e.g., increased revenues), as well as identify other non-monetary benefits to the Grantee (e.g., human resources development and the other developmental impacts to be analyzed within Task 9).
- 6.2 The Contractor shall assess the overall economic viability of the project and develop the economic internal rate of return (EIRR) on the basis of non-incremental and incremental economic benefits and economic costs (including economic capital, operation and maintenance costs) in constant economic prices.

Task 6 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 6 and present it to the Grantee for review and comment.

Task 7: Financial Analysis

- 7.1 The Contractor shall prepare a comparative estimate of the life-cycle costs for the Project, broken out by corridor. The Contractor shall carry out a financial evaluation for the purchase and maintenance of the new equipment needed in order to meet the performance requirements set forth in Task 5 and a twenty year operation period by calculating the Financial Internal Rate of Return (FIRR) and comparing it with the weighted average cost of capital (WACC). The FIRR and WACC should be computed on an after tax basis in real terms using constant 2011 prices. The cost estimates and financial projections in nominal terms should be converted to real terms by removing the projected effects of foreign and domestic inflation and currency fluctuations. Incremental costs and benefits should be derived from evaluating the financial position under both with-project and without-project scenarios.
- 7.2 The Contractor shall prepare a financial plan for the acquisition of new equipment including the identification of potential funding sources. The Contractor shall suggest appropriate financial mechanisms for public-private participation in the implementation of telecommunications aspects of the project.
- 7.3 The Contractor shall identify risk factors, test their sensitivity and propose mitigating measures. The Contractor shall undertake a sensitivity analysis by varying charges, costs, implementation delay, traffic volume, and combinations of these factors. The Contractor shall calculate switching values for these factors, excluding implementation delay, based on a FIRR that acceptably exceeds the WACC and a minimum EIRR of 14%. The Contractor shall review the sensitivity of the financial viability of the locomotives to future exchange rate movements.
- 7.4 The Contractor shall identify likely sources of financing, including the consideration of the potential role of private capital. The Contractor shall discuss options with representatives of the World Bank, Asian Development Bank and other international financial institutions, as well as telecommunications companies, with respect to that aspect of the Project.

Task 7 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 7 and present it to the Grantee for review and comment.

Task 8: Develop Tender Specifications

- 8.1 The Contractor shall develop specifications suitable for requesting proposals from companies that could provide Project implementation goods and services.
- 8.2 The Contractor shall draft a contractual agreement (or agreements) for the Project. The agreement(s) shall include all technical specifications for the procurement of

goods, services, testing, and quality assurance. The contractual agreement(s) shall comply with all laws and policies of the Host Country.

Task 8 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 8 and present it to the Grantee for review and comment.

Task 9: Implementation Plan

Based on the previous tasks, the Contractor will develop an implementation plan that shall clearly outline the anticipated next steps necessary to implement the Project. This plan shall include detailed steps in the areas of financing, exercising contractual agreements for services, equipment/parts procurement and implementation. The Contractor shall develop a tentative schedule in which milestones could be achieved. The Contractor shall present a draft implementation plan to the Grantee for review and comment, and incorporate any appropriate feedback into the final version.

Task 9 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 9 and present it to the Grantee for review and comment.

Task 10: Initial Environmental Impact Assessment

The Contractor shall conduct a preliminary review of the Project's anticipated impact on the environment, with reference to any pertinent national, provincial and/or local requirements. This review shall identify potential negative impacts, discuss the extent to which they can be mitigated, and develop plans for an environmental impact assessment as may be required under Host Country laws and regulations, if and when the project moves forward to the implementation stage. This task shall also include identifying the steps, if any, that the Grantee will need to undertake subsequent to the study's completion and prior to project implementation.

Task 10 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 10 and present it to the Grantee for review and comment.

Task 11: Development Impacts Assessment

11.1 The Contractor shall analyze developmental impacts related to Project implementation. The Contractor shall focus on key factors such as infrastructure, human capacity building, technology transfer/productivity improvement, and market-oriented reform, which are intended to provide the Project's decision-makers and interested parties with a broader view of the Project's potential effects on the Host Country. The analysis shall focus on what development impact is likely if the Project is implemented according to Study recommendations. While specific focus shall be paid to the immediate impact of the Project, analysis shall also include any additional developmental benefits that may result from the Project's implementation, including spin-off and demonstration effects.

In terms of the key factors, the Contractor shall in particular examine the following:

Infrastructure: The Contractor shall assess improvements such as new/enhanced signaling and telecommunications infrastructure which may result during Project implementation.

Technology Transfer and Productivity Improvement: The Contractor shall assess the extent to which the introduction of advanced technologies, and improvement of processes that stimulate greater economic productivity, would be introduced as a result of the Project.

Human Capacity Building: The Contractor shall estimate the number of new job opportunities, and sustained employment which may result from Project implementation. In addition, the Contractor shall analyze any advanced training for Grantee personnel, including complementary training which may be sustained following the conclusion of the Study.

Market-Oriented Reforms: While the Project is not expected to lead directly to market-oriented reforms, the Contractor shall examine the Project's potential for changes in this area. For example, the Contractor may examine the results of a successful Project on potential public-private partnerships.

Other/Spin-off Effects: The Contractor shall examine any other developmental benefits derived from the Project including, for example, enhanced railway safety and benefits from reduced road traffic (such as fewer accidents and lower vehicle emissions).

Task 11 Deliverable: The Contractor shall prepare an Interim Report on the work conducted during Task 11 and present it to the Grantee for review and comment.

Task 12: Final Report

The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.

ANNEX 6

U.S. FIRM INFORMATION FORM



USTDA-Funded Feasibility Study, Technical Assistance, or Training Grant

U.S. Firm Information Form

This form is designed to enable the U.S. Trade and Development Agency ("USTDA") to obtain information about entities and individuals proposed for participation in USTDA-funded activities. Information in this form is used to conduct screening of entities and individuals to ensure compliance with legislative and executive branch prohibitions on providing support or resources to, or engaging in transactions with, certain individuals or entities with which USTDA must comply.

USTDA Activity Number *[To be completed by USTDA]* 2011-31026A

Activity Type *[To be completed by USTDA]*

Feasibility Study	<input type="checkbox"/>	Technical Assistance	<input checked="" type="checkbox"/>	Other (specify)	
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Activity Title *[To be completed by USTDA]* Rail Signaling and Telecommunications Systems TA

Full Legal Name of U.S. Firm

Business Address (street address only)

Telephone		Fax		Website	
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Year Established (include any predecessor company(s) and year(s) established, if appropriate).
Please attach additional pages as necessary.

Please provide a list of directors and principal officers as detailed in Attachment A. Attached? Yes

Type of Ownership

Publicly Traded Company	<input type="checkbox"/>
Private Company	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

If Private Company or Other (if applicable), provide a list of shareholders and the percentage of their ownership. In addition, for each shareholder that owns 15% or more shares in U.S. Firm, please complete Attachment B.

Is the U.S. Firm a wholly-owned or partially owned subsidiary?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If so, please provide the name of the U.S. Firm's parent company(s). In addition, for any parent identified, please complete Attachment B.

Is the U.S. Firm proposing to subcontract some of the proposed work to another firm?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If yes, U.S. Firm shall complete Attachment C for each subcontractor. Attached?

Yes	<input type="checkbox"/>
Not applicable	<input type="checkbox"/>

Project Manager

Name	Surname	
	Given Name	
Address		
Telephone		
Fax		
Email		

Negotiation Prerequisites

Discuss any current or anticipated commitments which may impact the ability of the U.S. Firm or its subcontractors to complete the Activity as proposed and reflect such impact within the project schedule.

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

U.S. Firm may attach additional sheets, as necessary.

U.S. Firm's Representations

U.S. Firm shall certify to the following (or provide any explanation as to why any representation cannot be made):

1. U.S. Firm is a *[check one]* Corporation LLC Partnership Sole Proprietor Other:
 duly organized, validly existing and in good standing under the laws of the State of:
 The U.S. Firm 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 USTDA Activity. The U.S. Firm 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 U.S. Firm has included herewith, a copy of its Articles of Incorporation (or equivalent charter or document issued by a designated authority in accordance with applicable laws that provides information and authentication regarding the legal status of an entity) and a Certificate of Good Standing (or equivalent document) issued within 1 month of the date of signature below by the State of:
 The U.S. Firm commits to notify USTDA and the Grantee if it becomes aware of any change in its status in the state in which it is incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the U.S. Firm nor any of its principal officers have, within the three-year period preceding the submission of this proposal, 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 U.S. Firm, 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 U.S. Firm. The U.S. Firm, has not, within the three-year period preceding the submission of this proposal, been notified of any delinquent federal or state taxes in an amount that exceeds US\$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 U.S. Firm has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself of its debts under any bankruptcy, insolvency or other similar law. The U.S. Firm has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.
7. The U.S. Firm certifies that it complies with USTDA Nationality, Source, and Origin Requirements and shall continue to comply with such requirements throughout the duration of the USTDA-funded activity. The U.S. Firm commits to notify USTDA and the Grantee if it becomes aware of any change which might affect U.S. Firm's ability to meet the USTDA Nationality, Source, and Origin Requirements.

The U.S. Firm shall notify USTDA if any of the representations are no longer true and correct.

U.S. Firm certifies that the information provided in this form is true and correct. U.S. Firm understands and agrees that the U.S. Government may rely on the accuracy of this information in processing a request to participate in a USTDA-funded activity. If at any time USTDA has reason to believe that any person or entity has willfully and knowingly provided incorrect information or made false statements, USTDA may take action under applicable law. The undersigned represents and warrants that he/she has the requisite power and authority to sign on behalf of the U.S. Firm.

Name		Signature	
Title		Date	
Organization			



ATTACHMENT B

USTDA-Funded Feasibility Study, Technical Assistance, or Training Grant

U.S. Firm Information Form – Shareholder(s) and Parent Company(s)

If applicable, U.S. Firm provided a list of shareholders and the percentage of their ownership. This form shall be completed for each shareholder that owns 15% or more shares in U.S. Firm, as well as any parent corporation of the U.S. Firm ("Shareholder"). In addition, this form shall be completed for each shareholder identified in Attachment B that owns 15% or more shares in any Shareholder, as well as any parent identified in Attachment B.

USTDA Activity Number [To be completed by USTDA]		2011-31026A	
Activity Title [To be completed by USTDA]		Rail Signaling and Telecommunications Systems TA	
Full Legal Name of U.S. Firm			
Full Legal Name of Shareholder			
Business Address of Shareholder (street address only)			
Telephone number		Fax Number	
Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.			
Country of Shareholder's Principal Place of Business			
Please provide a list of directors and principal officers as detailed in Attachment A. Attached?			Yes
Type of Ownership	Publicly Traded Company		
	Private Company		
	Other		
If applicable, provide a list of shareholders and the percentage of their ownership. In addition, for each shareholder that owns 15% or more shares in Shareholder, please complete Attachment B.			
Is the Shareholder a wholly-owned or partially owned subsidiary?	Yes		
	No		
If so, please provide the name of the Shareholder's parent(s). In addition, for any parent identified, please complete Attachment B.			

Shareholder may attach additional sheets, as necessary.



ATTACHMENT C

USTDA-Funded Feasibility Study, Technical Assistance, or Training Grant

Subcontractor Information Form

This form is designed to enable the U.S. Trade and Development Agency ("USTDA") to obtain information about entities and individuals proposed for participation in USTDA-funded activities. Information in this form is used to conduct screening of entities and individuals to ensure compliance with legislative and executive branch prohibitions on providing support or resources to, or engaging in transactions with, certain individuals or entities with which USTDA must comply.

USTDA Activity Number <i>[To be completed by USTDA]</i>		2011-31026A	
Activity Title <i>[To be completed by USTDA]</i>		Rail Signaling and Telecommunications Systems TA	
Full Legal Name of Prime Contractor U.S. Firm ("U.S. Firm")			
Full Legal Name of Subcontractor			
Business Address of Subcontractor (street address only)			
Telephone Number			
Fax Number			
Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.			
Subcontractor Point of Contact			
Name	Surname		
	Given Name		
Address			
Telephone			
Fax			
Email			

Subcontractor's Representations

Subcontractor shall provide the following (or any explanation as to why any representation cannot be made), made as of the date of the proposal:

1. Subcontractor is a <i>[check one]</i>	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> LLC	<input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Other
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duly organized, validly existing and in good standing under the laws 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 U.S. Firm is selected, to execute and deliver a subcontract to the U.S. Firm for the performance of the USTDA Activity and to perform the USTDA Activity. 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 the submission of the Offeror's proposal, 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.

6. The Subcontractor certifies that it complies with the USTDA Nationality, Source, and Origin Requirements and shall continue to comply with such requirements throughout the duration of the USTDA-funded activity. The Subcontractor commits to notify USTDA, the Contractor, and the Grantee if it becomes aware of any change which might affect U.S. Firm's ability to meet the USTDA Nationality, Source, and Origin Requirements.

The selected Subcontractor shall notify the U.S. Firm, Grantee and USTDA if any of the representations included in its proposal are no longer true and correct.

Subcontractor certifies that the information provided in this form is true and correct. Subcontractor understands and agrees that the U.S. Government may rely on the accuracy of this information in processing a request to participate in a USTDA-funded activity. If at any time USTDA has reason to believe that any person or entity has willfully and knowingly provided incorrect information or made false statements, USTDA may take action under applicable law. The undersigned represents and warrants that he/she has the requisite power and authority to sign on behalf of the Subcontractor.

Name	<input type="text"/>	Signature	<input type="text"/>
Title	<input type="text"/>	Date	<input type="text"/>
Organization	<input type="text"/>		