

REQUEST FOR PROPOSALS

**FEASIBILITY STUDY FOR THE
SOUTH AFRICA AIRSIDE CAPACITY ENHANCEMENTS PROJECT**

Submission Deadline: **1:00 PM
LOCAL (SOUTH AFRICA) TIME
FEBRUARY 3, 2012**

Submission Place: **AIR TRAFFIC AND NAVIGATION SERVICES COMPANY
LIMITED OF SOUTH AFRICA (ATNS)
ATTN: CAREL GERSBACH, SENIOR MANAGER: CNS
PLANNING, R&D
EASTGATE OFFICE PARK
BLOCK C
SOUTH BOULEVARD ROAD
BRUMA, SOUTH AFRICA**

**TELEPHONE: +27 11 607 1120
FAX: +27 11 607 1418**

**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\$758,000 to the Air Traffic and Navigation Services Company Limited of South Africa (the "Grantee") in accordance with a grant agreement dated October 27, 2011 (the "Grant Agreement") to fund the cost of goods and services required for a feasibility study ("Feasibility Study") to evaluate the technical, financial, environmental, and other critical aspects of the proposed Airside Capacity Enhancements project in South Africa ("Host Country"). The Airports Company South Africa Limited ("ACSA") will also play an active role in the Feasibility Study. In particular, the Feasibility Study will evaluate the feasibility of utilizing advanced technologies and procedural improvements to reduce delays and increase the efficiency and safety of air traffic movements at the Cape Town, King Shaka (Durban), and O.R. Tambo (Johannesburg) international airports.

The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Feasibility Study.

1.1 BACKGROUND SUMMARY

Over the past several years, demand for air traffic services in South Africa has continued to increase alongside increased levels of international trade and sustained economic growth. As demand for air traffic services in South Africa continues to grow, the Grantee and ACSA will need to find ways to increase the efficiency of air traffic services at airports with limited terrain while continuing to maintain world-class safety standards.

As a result, the Grantee and ACSA are working together to explore the feasibility of using advanced technologies, such as state-of-the-art radar, communications, and navigation systems, and procedural improvements to increase airside capacity in South Africa. Initially, they would like to deploy these airside capacity enhancements at the Cape Town, King Shaka, and O.R. Tambo international airports. Once the airside capacity enhancements have been successfully deployed at South Africa's three main airports, the Grantee and ACSA expect to roll them out at other airports throughout the country.

The Feasibility Study will: determine the current (baseline) airside capacity at each airport; recommend technologies and procedural improvements to maximize the airside capacity of each airport; evaluate the technical, financial, environmental, and other critical aspects of the proposed airside capacity enhancements; review the existing procurement practices at the Grantee and ACSA, recommend improvements that would help to attract more bids from potential suppliers, and define performance specifications for the recommended airside capacity enhancements; and provide an implementation plan for the recommended airside capacity enhancements.

Portions of a background Definitional Mission report are provided for reference in Annex 2.

1.2 OBJECTIVE

The objective of the Feasibility Study is to provide the Grantee and ACSA with analyses and recommendations that will support their decision-making with regard to the utilization of advanced technologies and procedural improvements to reduce delays and increase the efficiency and safety of air traffic movements at the Cape Town, King Shaka, and O.R. Tambo international airports. The Terms of Reference ("TOR") for this Feasibility Study are attached at 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\$758,000. **The USTDA grant of US\$758,000 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$758,000 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called the South Africa Airside Capacity Enhancements Project.

2.2 DEFINITIONS

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

The term "Request for Proposals" means this solicitation of a formal technical proposal, including qualifications statement.

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

2.3 DEFINITIONAL MISSION REPORT

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

2.4 EXAMINATION OF DOCUMENTS

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

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

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

2.5 PROJECT FUNDING SOURCE

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$758,000.

2.6 RESPONSIBILITY FOR COSTS

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

2.7 TAXES

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

2.8 CONFIDENTIALITY

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

2.9 ECONOMY OF PROPOSALS

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

2.10 OFFEROR CERTIFICATIONS

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

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

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

2.12 LANGUAGE OF PROPOSAL

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

2.13 PROPOSAL SUBMISSION REQUIREMENTS

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

Air Traffic and Navigation Services Company Limited of South Africa (ATNS)
Attn: Carel Gersbach, Senior Manager: CNS Planning, R&D
Eastgate Office Park
Block C
South Boulevard Road
Bruma, South Africa

Telephone: +27 11 607 1120
Fax: +27 11 607 1418

An Original and five (5) copies of your proposal must be received at the above address (see map at Annex 7) no later than 1:00 p.m. local (South Africa) time, on February 3, 2012.

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 five (5) 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. The 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, feasibility study 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\$758,000, which is a fixed amount.

Offerors shall submit one (1) original and five (5) 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 at the end of this RFP at 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 Feasibility Study. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Feasibility Study.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the Technical Approach and Work Plan shall be submitted. A statement confirming the availability of the proposed project manager and key staff over the duration of the project must be included in the proposal.

3.4 TECHNICAL APPROACH AND WORK PLAN

Describe in detail the proposed Technical Approach and Work Plan (the "Work Plan"). Discuss the Offeror's methodology for completing the project requirements. Include a brief narrative of the Offeror's methodology for completing the tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Work Plan, and previous project experience, describe any support that the Offeror will require from the Grantee. Detail the amount of staff time required by the Grantee or other participating agencies and any work space or facilities needed to complete the Feasibility Study.

3.5 EXPERIENCE AND QUALIFICATIONS

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

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

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

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to the Feasibility Study as described in this RFP.

Section 4: AWARD CRITERIA

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

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

Offeror's Experience and Qualifications: 40 points maximum

- Offeror's experience and qualifications in the design, installation, integration, operation, and maintenance of airside capacity enhancement systems: 15 points
- Offeror's experience and qualifications in the areas of aviation radar technologies, aviation communications systems, air traffic control, airspace surveillance technologies, and automated weather systems: 10 points
- Offeror's experience and qualifications in project financing, cost estimating, and development of capital investment programs for aviation infrastructure projects: 5 points
- Offeror's experience and qualifications in performing similar feasibility studies or other closely related work: 10 points

Organizational Structure, Management, and Key Personnel: 25 points maximum

- Quality of the Offeror's proposed organizational structure and management plan for the Feasibility Study: 5 points
- Experience and expertise of the Offeror's proposed Project Manager in performing similar feasibility studies or other closely related work: 10 points
- Experience and expertise of other key personnel (including subcontractors) in fulfilling the various functions required for the Feasibility Study: 10 points

Technical Approach and Work Plan: 25 points maximum

- Quality of the Offeror's proposed Technical Approach and Work Plan: 20 points
- Quality of the Offeror's proposed schedule for carrying out the Feasibility Study: 5 points

Country/Regional Experience: 10 points maximum

- Offeror's experience working in South Africa, sub-Saharan Africa, and/or other similar environments, preferably in the aviation sector: 10 points

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

Price will not be a factor in contractor selection.

ANNEX 1

Air Traffic and Navigation Services Company Limited of South Africa (ATNS), Attn: Carel Gersbach, Senior Manager: CNS Planning, R&D, Eastgate Office Park, Block C, South Boulevard Road, Bruma, South Africa, Telephone: +27 11 607 1120, Fax: +27 11 607 1418

B—South Africa: Feasibility Study for the Airside Capacity Enhancements Project

POC: Robin Yavuz, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. South Africa Airside Capacity Enhancements Project. The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to develop a feasibility study that will evaluate the technical, financial, environmental, and other critical aspects of utilizing advanced technologies and procedural improvements to reduce delays and increase the efficiency and safety of air traffic movements at the Cape Town, King Shaka (Durban), and O.R. Tambo (Johannesburg) international airports in South Africa.

Over the past several years, demand for air traffic services in South Africa has continued to increase alongside increased levels of international trade and sustained economic growth. As demand for air traffic services in South Africa continues to grow, the Grantee and the Airports Company South Africa (ACSA) will need to find ways to increase the efficiency of air traffic services at airports with limited terrain while continuing to maintain world-class safety standards.

As a result, the Grantee and ACSA are working together to explore the feasibility of using advanced technologies, such as state-of-the-art radar, communications, and navigation systems, and procedural improvements to increase airside capacity in South Africa. Initially, they would like to deploy these airside capacity enhancements at the Cape Town, King Shaka, and O.R. Tambo international airports. Once the airside capacity enhancements have been successfully deployed at South Africa's three main airports, the Grantee and ACSA expect to roll them out at other airports throughout the country.

The Feasibility Study will: determine the current (baseline) airside capacity at each airport; recommend technologies and procedural improvements to maximize the airside capacity of each airport; evaluate the technical, financial, environmental, and other critical aspects of the proposed airside capacity enhancements; review the existing procurement practices at the Grantee and ACSA, recommend improvements that would help to attract more bids from potential suppliers, and define performance specifications for the recommended airside capacity enhancements; and provide an implementation plan for the recommended airside capacity enhancements.

The U.S. firm selected will be paid in U.S. dollars from a \$758,000 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and portions of a background definitional mission report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-

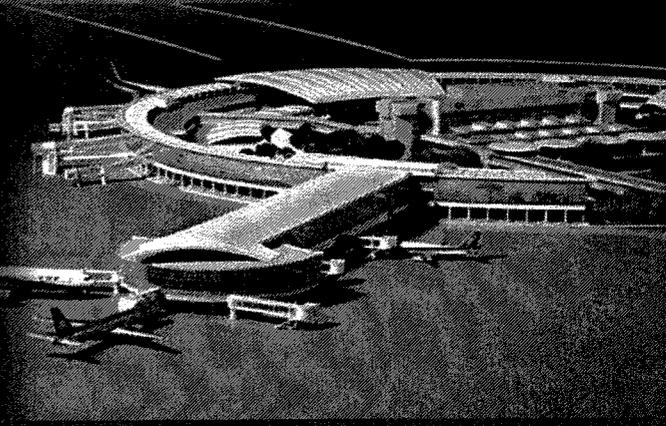
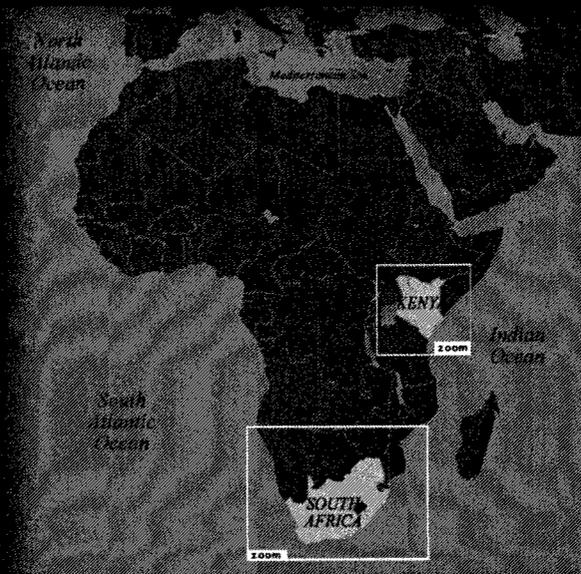
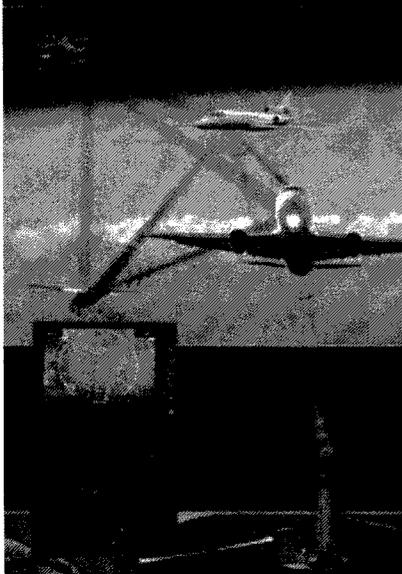
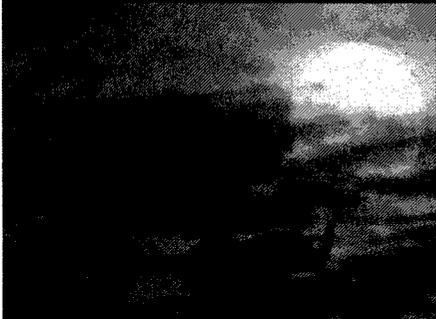
3901. To request the RFP in PDF format, please go to: <https://www.ustda.gov/businessopps/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

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

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 1:00 PM local (South Africa) time, on February 3, 2012, at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

ANNEX 2

FINAL REPORT
SUB-SAHARAN AFRICA: KENYA AND SOUTH AFRICA
AVIATION DEFINITIONAL MISSION



HEP

TRANSPORTATION CONSULTING



A. EXECUTIVE SUMMARY

In April 2011, The U.S. Trade and Development Agency (USTDA) funded a Definitional Mission (DM) with the purpose to support and improve its decision-making process relative to the funding of feasibility studies and technical assistance in the aviation sector in Kenya and South Africa. HEP Transportation Consulting was selected by USTDA for the conduct of the Sub-Saharan Africa - Kenya & South Africa Aviation Definitional Mission which was carried out from April to August of 2011.

The DM activities included the review of various aviation and airport activities in both Kenya and South Africa as well as meetings with organizations such as The Kenya Airports Authority (KAA), Kenya Civil Aviation Authority (KCAA), Kenya Airways, Kenya Department of Meteorology (KDM), The Airport Company of South Africa (ACSA), The Air Traffic and Navigation Services Company of South Africa (ATNS), The South African Civil Aviation Authority (SACAA), South African Airways Technical (SAAT), South African Airways Cargo (SAAC), South African Weather Service (SAWS), 43 Air School, Gateway Airport Authority Ltd. (GAAL), and Boeing Commercial International.

Based on the review of the aviation sector activities in both Kenya and South Africa, along with information received during discussions and meetings held with Kenyan and South African aviation officials, HEP Transportation Consulting has identified three major priority projects that meet USTDA's criteria for grant funding.

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The third project identified as part of the DM is a feasibility study for airside capacity enhancements for the O.R. Tambo, Cape Town, and King Shaka (Durban) International Airports in South Africa. ATNS and ACSA have been identified as the joint grantee for this feasibility study. Air traffic activity in South Africa has continued to increase and the major airports in the country (O.R. Tambo, Cape Town, and King Shaka International) have experienced an increase



in airport (airside) operations that requires the thorough analysis of these aviation facilities to identify existing capacity deficiencies and the identification of airside capacity enhancement technologies to increase and/or maintain operational airside efficiency.

The feasibility study assessments will result in the development of a practical plan for the implementation of airside capacity enhancement technologies, procedures, and the identification of airside capacity infrastructure improvements at the O.R. Tambo, Cape Town, and King Shaka International Airports in South Africa. ACSA and ATNS wish to jointly determine current baseline airside capacities pertaining to the O.R. Tambo, Cape Town, and King Shaka International Airports, as well as to determine ultimate airside capacities for these airports and associated technologies, procedures, and infrastructure improvements that can enhance airside operational efficiency as well as capacity. The airside capacity enhancement feasibility study will identify incremental capacity measures and steps that will lead to specific project development for capacity enhancement at each of the three international airports in South Africa.

The implementation plan resulting from the airside capacity enhancement feasibility study will recommend the various types of technologies, including the necessary systems, equipment, certifications, air capacity declarations, procedures, and training that should be considered for the airside capacity enhancements at the three major airports in South Africa.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

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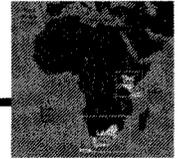
3.8 Air Traffic and Navigation Services Company of South Africa - ATNS

ATNS is the air traffic and air navigation service provider for South Africa and the company is an autonomous entity under the Ministry of Transport. ATNS is charged with providing air navigation services throughout South Africa as well as responsible for air traffic control and the South African Aviation Training Academy (SAATA). ATNS manages more than 685,000 arrival and departure movements per year at its 21 airports throughout South Africa, including the O.R. Tambo International Airport, Cape Town International Airport, and Durban International Airport.

ATNS operations include the following:

- The supply of aeronautical information services
- Technical maintenance and aerodrome services
- Management of the South African airspace
- Support for special events and special requirements (test flights, demonstration flights)
- The implementation and maintenance of ground-based navigational structure
- The implementation, operation, and maintenance of air navigation/ATM systems
- Training for licensing of ATC controllers and technical staff

The Aviation Training Academy was formed within ATNS with the purpose to provide air traffic control training and other aviation related training in South Africa. Since the opening of the SAATA, the organization has continued to expand its ATC training client base by training air



traffic controllers from various countries in Africa. The SAATA has received an ISO 9001/2000 accreditation which makes it a recognized and world-class training institution complying with ICAO standards and recommended practices.

As demand for air transportation services increase in South Africa and the African continent, ATNS is faced with finding solutions to safely increase airspace capacity, efficiency, and access to terrain challenge airports. These constraints are largely the result of reliance on conventional ground-based navigation systems such as VOR, NDB, ILS, and others, which limit routes and procedures to the physical locations of the ground-based installations. While these ground-based systems have served the aviation industry well in South Africa, these systems lack the flexibility of point-to-point operations available with Performance Based Navigation (PBN). As such, ATNS has begun the review of PBN navigation for future implementation and the agency has introduced PBN training at the SAATA.

ATNS is at a point where the company needs to develop a strategic plan to determine future investments in air navigation technology for South Africa. ATNS intends to continue its efforts to achieve a performance-based global air traffic management system and as such, the agency needs to develop a plan to identify the most suitable and feasible technologies that must be acquired in the near future. Such plan should define the roadmap for the future ATNS air navigation systems for the provision of future services and the on-going needs for the agency to meet higher level demand in air traffic management. The general increase in tourism to South Africa and the continued increase in air traffic expected in future years, calls for further innovation in air navigation systems. ATNS faces the challenge to identify new, safe, and more efficient ways to deliver its services to the aviation industry in South Africa.

In order to support ATNS goals and operational strategies, ATNS and ACSA have joined forces to develop an airside capacity enhancement project for the O.R. Tambo, Cape Town, and King Shaka (Durban), International Airports. More specifics on the proposed airside capacity enhancement project are presented in the section below under ACSA.

3.9 Airports Company of South Africa - ACSA

The Government of South Africa created ACSA as a private corporation in 1993 to operate South Africa's major airports. ACSA's majority owner is the South African Government and the Company is legally and financially autonomous and operates under South African commercial law. ACSA is part of the National Department of Transport headed by the Ministry of Transport. ACSA is responsible for the development of airport infrastructure, operation and maintenance and the overall administration of its airports. Some of the major airports include the O.R. Tambo International Airport in Johannesburg, Cape Town International, Durban International and others. ACSA operates under four main divisions including the following:

- Aviation Services is responsible for airport planning, infrastructure development, management, safety, compliance, and environmental policy and standards, traffic analysis and research, and service standards monitoring and geographic information systems.
- Commercial Services include ACSA's retail, property, and advertising and the management of airports.
- Support functions incorporate finance and information technology, internal audit, corporate affairs, human resources, strategic planning, and risk management.



- Operations Division is responsible for ensuring effective management of operations across ACSA's network of airports and aviation security is among the key responsibilities.

	Departing Passengers	Arriving Air Traffic Movements	Annual Passenger Handling Capacity
O.R. Tambo International	8,819,000	101,307	28,000,000
Cape Town International	3,912,000	46,302	14,000,000
Durban International	2,208,000	26,454	45,000,000
Port Elizabeth International	676,000	39,169	2,000,000
East London Airport	337,000	17,930	1,200,000
Bloemfontein International	199,000	11,362	600,000
George Airport	270,000	20,931	900,000
Upington International	21,000	3,395	100,000
Kimberley Airport	66,000	5,980	200,000
Pilanesberg International	3,000	1,884	40,000

Source: ACSA

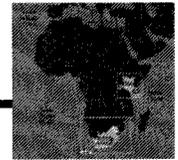
ACSA has recently completed its most ambitious infrastructure capacity development program as the company embarked on a U.S. \$250 million investment program to improve airport terminal capacity and service at its network of airports which actually coincided with South Africa hosting the 2010 FIFA World Cup. Airport infrastructure development has played a key role in the national economy of South Africa where the economic impact of the O.R. Tambo, Cape Town, and Durban International Airports has been significant with a combined contribution towards GDP of some U.S. \$1.5 billion and generating 33,700 direct airport jobs and 227,600 indirect jobs.

ACSA is responsible for an airport network of ten commercial airports, including the three international airports (O. R. Tambo, Cape Town, and Durban) that handle over 98% of South Africa's commercial air traffic. Even after the substantial infrastructure building of airports between 2007 and 2010, ACSA continues to follow its strategic plans for the airport network aiming at the next phase of airport improvements, capacity enhancement, safety, and security. ACSA's total company revenues increased from 2009 to 2010 by U.S. \$480 Million.

3.10 ACSA/ATNS Airside Capacity Enhancement Project

One of ACSA's primary goals is to enhance airside capacity at the O.R. Tambo, Cape Town, and Durban International Airports. As such, ACSA and ATNS have worked together on developing a joint project for airside capacity enhancement. The ATNS/ACSA airside capacity enhancement project encompasses the technical review of three airports (O.R. Tambo, Cape Town, and King Shaka -Durban) specifically the airside infrastructure and its aviation systems with the goal to identify technologies and procedures that would increase capacity and safety.

The conduct and assessments from a feasibility study for the joint ATNS/ACSA project would result in the development of a practical plan for the implementation of airside capacity



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ATNS is the leading air navigation services provider in Africa and has expanded its services beyond South Africa. The agency has invested significantly over the years in technology, programs and training that has led ATNS to become one of the premier air traffic and navigation services agencies in the world. ATNS continues to ensure that its overall business strategy is aligned with the trends of global harmonization of Communication, Navigation, Surveillance (CNS) operations as established by ICAO's Global Air Navigation Plan (GANP) and IATA's Vision for Future Air Traffic Management.

ATNS has continued to strengthen the company's growth strategy towards marketing and delivering a comprehensive range of air traffic management solutions and services for the aviation industry in South Africa and the company has focused on the need to expand ATNS services beyond their national environment to include the African Continent and the Indian Ocean Region. This service expansion strategy includes the areas of training, external billing systems, aeronautical information services, aeronautical chart design, airspace design, and a range of consulting services.

ATNS has not only demonstrated the commitment to expand its services and investment in aviation technology, but the company has placed emphasis on creating an adequate framework for monitoring the company's control environment by implementing a company governance framework to support the various functions to enhance corporate accountability. ATNS has substantial human capital and the company continues to invest in research and development allowing ATNS to constantly find innovative solutions in air traffic management. ATNS' ability to implement innovative solutions is well demonstrated by the many projects that the agency has delivered for many years. In fact, ATNS was the recipient of the 2010 Jane's Airport Review Enabling Technology Award for the significant contribution to enhanced airspace capacity and safety in South Africa.

In addition, ATNS has developed South Africa's Airspace Master Plan which provides the strategic view and direction for the South Africa's airspace organization and management. The airspace organization function provides strategies, rules, and procedures by which the airspace is to be structured to accommodate the different types of air activity, traffic volume, and other services. The master plan also supports regional inter-operability and harmonization for the South African airspace.

The continued growth in air traffic and the consequent demand that increased air traffic places on airport infrastructure requires an effective and sustainable strategy to meet the challenges



that airport authorities face in today's growing aviation world. The rapid growth of air traffic activity in South Africa over the last 5 years required an effective plan to build infrastructure and to more efficiently manage airports in South Africa. As such, ACSA embarked on a progressive initiative to develop airport infrastructure for the country along with a program to more efficiently manage its airports.

Through the massive airport infrastructure development that ACSA embarked on prior to the 2010 FIFA World Cup, the company has once again demonstrated that is capable and committed to developing the airport network for South Africa. ACSA developed a National Airport Master Plan that allowed the agency to plan for growth and future demand of its airport terminals. The announcement of the 2010 FIFA World Cup event accelerated the implementation of many of the recommendations from ACSA's Airport Master Plan. The outstanding planning, implementation, and services provided during the modernization and expansion of its airports gives ACSA an outstanding reputation not only at the national level, but also internationally.

The DM findings indicate that both ATNS and ACSA are committed to further enhancing the national airspace and airport system in South Africa and the companies have the required capacity to undertake and implement large aviation projects, such as the one being proposed for USTDA's consideration.

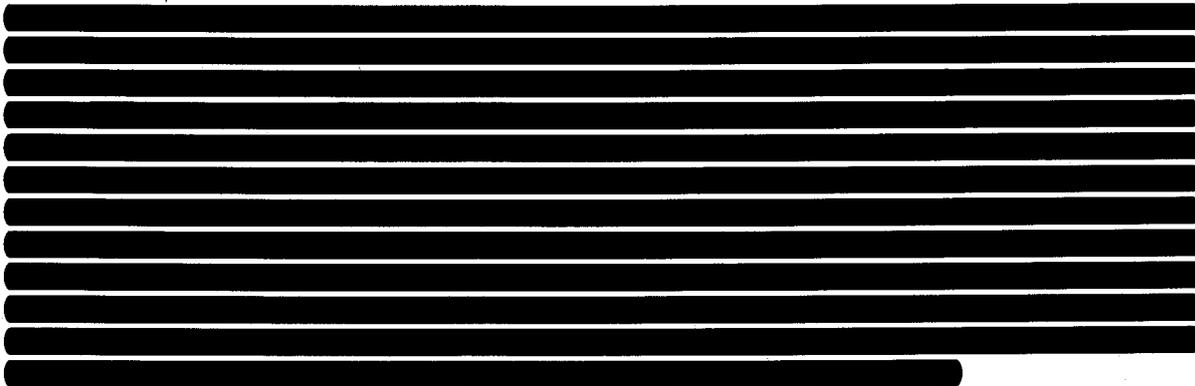
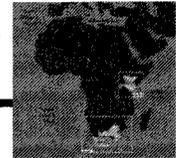
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3.0 ATNS and ACSA Financial Assessment

While many air navigation services agencies around the world have experienced a decrease in revenues collected due primary to the global economic downturn, ATNS has weathered the economic situation better than many other national agencies worldwide. Air traffic was affected due to the global economic conditions, but during 2010 South Africa hosted the FIFA Soccer World Cup event bringing additional traffic to South Africa which helped the agency financially.

ATNS has a Regulating Committee (RC) that regulates the agency from an economic perspective. The RC regulates ATNS' tariffs and prescribes minimum service standards and considers the air traffic movements, capital expenditures, safety, capacity, monetary values, and the long-term financial sustainability of the company.

The RC estimates a reasonable rate of return for the company taking into consideration the various economic and market indicators, including bond yields, market risk premiums, the industry risk premiums, cost of debt, and other factors affecting the financial stability of ATNS.

In addition, ATNS has established sound economic and internal controls that play a key role in providing an objective view and continuous assessment of the effectiveness of the financial operation of the company. The internal audit findings of ATNS for 2010 were found to be in order. ATNS is operated as a corporation under a corporate governance framework comprising of an executive board, as well as committees for audit and risk, human resources, procurement, and accountability. External auditors audit the annual financial statements and the company's performance according to South African law.

The following graphic presents the gross revenues of ATNS for the last five years.

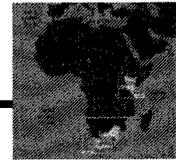
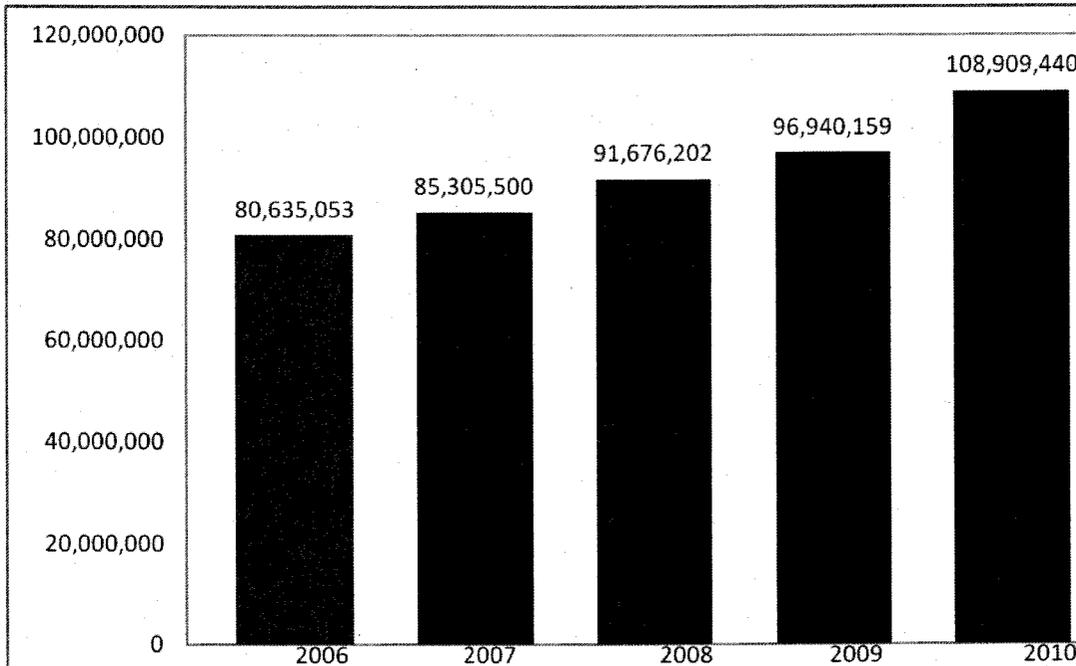


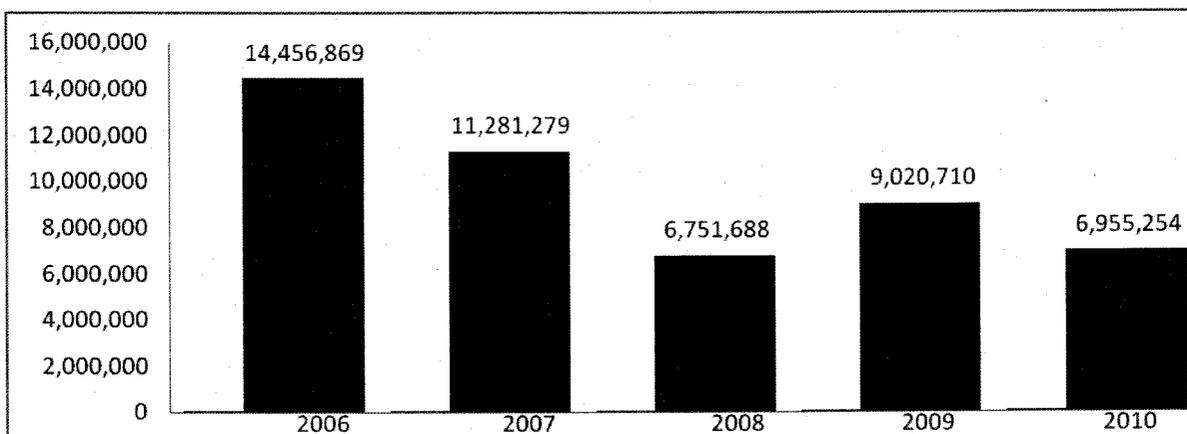
Table N° 5
ATNS Gross Revenues



Source: ATNS

Gross revenues increased from 2006 to 2010 from U.S. \$80,635,053 to U.S. \$108,909,440 however, net profits have varied since 2006 as indicated in the graphic below.

Table N° 6
ATNS Profit Margin



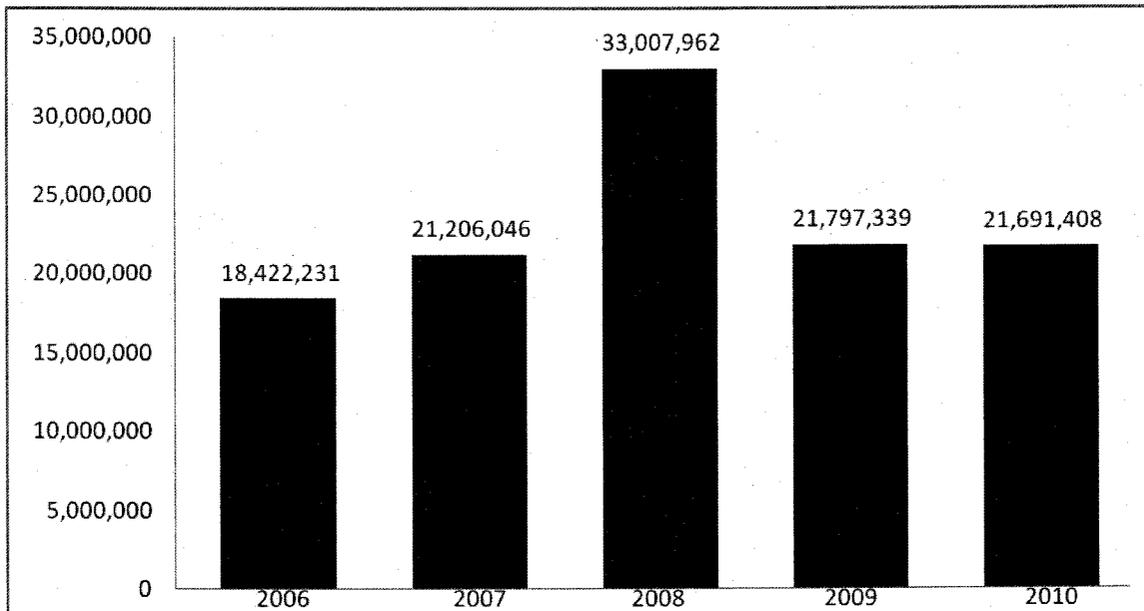
Source: ATNS

The capital expenditures were reviewed for ATNS over the last five years to find that expenditures was at the highest levels during 2007 and 2008 when ATNS invested in air traffic



management technologies and other capital improvement programs including ATC towers and equipment. The graphic below demonstrates the level of capital expenditures over the last five years by ATNS.

Table N^o 7
ATNS Capital Expenditures

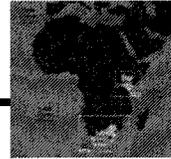


Source: ATNS

On the other hand, ACSA has seen an unprecedented growth in air traffic flows at its main international airports primarily due to tourism activity and the 2010 FIFA Soccer World Cup. ACSA spent in excess of U.S. \$250 million in airport infrastructure and modernization of airport facilities in anticipation of the 2010 FIFA Soccer World Cup while total revenues for ACSA increased by 13% from 2009 levels to U.S. \$480 million for 2010. ACSA has produced significant profit margins over the last five years and its corporate financial plan and investment in the national airport systems has been substantial allowing the company to receive significant revenues.

The projected traffic growth for the O.R. Tambo, Cape Town, and Durban International Airports were reviewed to determine the economic and financial stability of these airports and to determine if ACSA is expected to continue to operate with adequate revenue streams in the future. The forecasts for passenger growth traffic at the O.R. Tambo, Cape Town, and Durban Airports were reviewed indicating that passenger growth is expected to continue for the period of 2011-2016 as compared to the pre-FIFA Soccer World Cup event.

In addition, the annual operational capacities of the existing terminals at O.R. Tambo, Cape Town and Durban indicate that these facilities have the capacity to accept the future mid-term growth for passengers, but further studies are needed to evaluate airside capacity to avoid constraints and air traffic congestion at these airports.



The examination of operational capacity and passenger traffic forecast indicate that air traffic and passenger growth is expected to continue an upward trend (as compared from pre-FIFA Soccer World Cup sporting event conditions) well into the next five to ten years. This reveals that the traffic forecasts and associated revenues at the O.R. Tambo, Cape Town, and Durban International Airports would support further investment by ACSA for additional airport infrastructure improvements and airside capacity enhancements.

The financial assessment, which included the review of ATNS and ACSA's financial information along with passenger and air traffic projections, confirms that ATNS and ACSA have consistently produced annual profits and both companies have generated net reserves over the last five years. ATNS and ACSA's projected revenues (based on traffic forecasts and current fees and taxes) are expected to be sufficient to cover the capital expenditures for airside capacity enhancement activities at the main international airports in South Africa.

The following alternative methods of financing the implementation of the airside capacity enhancement project were examined:

- Private financing and concessions (as part of existing concessions)
- Government financing
- Public-Private-Partnerships
- General obligation bonds
- Revenue bonds
- Revenue financing
- Airline fees and taxes
- Fuel tax, airport tenant fees and taxes, rental car taxes and fees
- Multilateral Financial Institution financing
- Airport Passenger fees, take-off and landing fees, airport facility fees
- Over-Flight charges and fees
- Air navigation services fees and charges

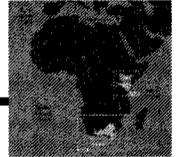
ATNS and ACSA officials indicated that the likely sources to fund the implementation of the airside capacity enhancement project would most likely come from the companies' operating and annual capital budgets which is supported by airport taxes, fees, and service revenues for ACSA and by air navigation services charges and fees from ATNS. Since airside capacity is an integral part of the overall operation and success of the ACSA airport network, ACSA officials understand the importance of investing in airside capacity enhancement systems that would serve the airports now and in the future. At the same time, ATNS and ACSA understand that airside capacity must keep pace with the forecast growth in air traffic and as such, both companies are committed to working together on the airside capacity enhancement project to ensure that airports and the surrounding airspace are managed as efficiently as possible to maintain optimum operational capacities.

ATNS and ACSA confirmed that funding would be available for the implementation of the airside capacity enhancement activities, but the agencies need to understand the level of funding required, the phasing of the projects, and a plan that paves the way for the effective and efficient implementation of the new technologies to maintain and/or increase operational efficiencies and capacity at the O.R. Tambo, Cape Town, and Durban International Airports.

As part of the financial assessment, HEP Transportation Consulting reviewed the latest financial annual reports for ACSA to determine that the company's financial standing is sound and the



Table N ^o 12 ATNS/ACSA Airside Capacity Implementation Cost Estimates		
Item	DESCRIPTION	TOTAL U.S.\$
1.0	SECTION 1.0 - Airside Equipment/Systems	
1.1	Advanced Surface Movement Guidance and Control Systems (A-SMGCS) airside analysis and site selection	\$100,000
	A-SMGCS Radar	\$2,000,000
	Design, engineering, site preparation, and associated infrastructure	\$200,000
	A-SMGCS Radar Installation	\$200,000
	ATC Center Equipment – Server, Computers, monitors, software, communications & UPS unit	\$600,000
	System Integration, testing & certification	\$100,000
	Maintenance training	\$15,000
1.2	Precision Runway Monitoring Radar (PRM) airside analysis & site selection	\$150,000
	PRM Radar system and UPS system	\$9,300,000
	Design, engineering, site preparation, associated infrastructure & installation	\$1,000,000
	ATC Center Equipment – Server, Computers, High Resolution Monitors, Software, Communications and UPS units	\$700,000
	PRM system integration, testing & certification	\$200,000
	Maintenance training	\$20,000
1.3	Automated Weather Observation System (AWOS System) site analysis and site selection	\$50,000
	Weather systems review and coordination with SAWS	\$15,000
	AWOS field equipment	\$1,000,000
	Design, engineering, site preparation, associated infrastructure & installation	\$400,000
	Weather Center Equipment – Server, Computers, monitors, software, communications and UPS units	\$300,000
	AWOS system integration	\$75,000
	AWOS operating staff training	\$10,000
1.4	Primary Surveillance Radar (PSR) Replacement – site analysis & site selection	\$150,000
	Primary Surveillance Radar PRS	\$9,000,000
	Design, engineering, site preparation, associated infrastructure & installation	\$1,000,000
	ATC Center Equipment – Servers, computers, high resolution monitors, software, communications, UPS units,	\$700,000
	UPS System for PSR field unit, electronics, and related infrastructure	\$475,000
	PSR system integration, testing & certification	\$200,000
	Maintenance training	\$20,000
1.5	Secondary Surveillance Radar (SSR)-S Mode Radar Replacement –site analysis & site selection	\$120,000
	SSR – S Mode Radar	\$6,200,000
	Design, engineering, site preparation, associated infrastructure & installation	\$850,000
	ATC Center Equipment – Servers, computers, high resolution monitors, software, communications, UPS units,	\$500,000
	UPS System for PSR field unit, electronics, and related infrastructure	\$450,000
	SSR-S Mode System integration, testing & certification	\$175,000
	Maintenance training	\$20,000
1.6	Communication Systems (field equipment)	\$900,000
	System Design and engineering	\$150,000
	Communications system and installation	\$300,000
	ATC center comm system equipment, consoles, transmitter/receiver, voice recording equipment, UPS back up system, other	\$600,000
	Communications system testing, certification, and maintenance training	\$65,000
1.7	ATC System Upgrade	
	ATC system design, engineering, and installation	\$400,000
	ATC center equipment – consoles, servers, computers, software, high resolution monitors, runway/taxiway lighting controls, communications, supporting electronics, UPS units	\$1,500,000
	ATC system integration, testing, certification, and maintenance training	\$150,000



1.8	Signal Aids/ Runway/ Exit/ Taxiway Lighting Systems/Runway status lighting system	2,500,000
	Site analysis, design, and engineering	\$250,000
	Signal Aids systems and installation	\$4,000,000
	Communications System & installation	\$500,000
	ATC center- controls, computers, monitors, software, communications, and UPS units	\$500,000
	System integration, certification, testing, and maintenance training	\$100,000
1.9	ASDE-X Airport Surface Detection Equipment-Model X –Runway Intrusion Control – airside analysis/site selection	\$100,000
	ASDE-X Radar	\$1,700,000
	Design, engineering, site preparation, and associated infrastructure	\$200,000
	ASDE-X Radar Installation	\$300,000
	ATC Center Equipment – Server, Computers, monitors, software, communications & UPS unit	\$300,000
	System Integration, testing & certification	\$100,000
	Maintenance training	\$15,000
1.10	NAVAIDS Replacement	
	Site analysis, design, engineering, and installation	\$600,000
	NAVAIDS equipment	\$3,600,000
	Testing, calibration, certification, and maintenance training	\$100,000
	TOTAL SECTION 1.0	55,025,000
2.0	SECTION 2.0 – Airside Capacity Improvement Infrastructure	
	Construction- Airside Capacity Improvement Infrastructure -RETs, RATs, Holding Bays, Parallel taxiways, Duel apron taxiways, Bypass taxiways, multiple holding points, Remote holding areas, other airfield improvements.	\$90,000,000
	TOTAL SECTION 2.0	\$90,000,000
3.0	SECTION 3.0 – Professional Services	
3.1	Coordination/Implementation Consulting Services for CES	500,000
3.2	Operational Training Services –ATC, Pilots, ATNS/ACSA staff	800,000
3.3	ADS-B and Multilateration System Development	1,000,000
3.4	Airside Capacity Infrastructure -Design Services	4,000,000
3.5	PBN Development /Services	1,000,000
	TOTAL SECTION 3.0	7,300,000
	GRAND TOTAL FOR IMPLEMENTATION	\$152,325,000

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Performance (RNP) procedures with the goal for PBN to provide the means for flexible routes and terminal procedures. PBN is helping the aviation community reduce aviation congestion, fuel consumption conservation, and maintain reliable and all-weather operations at airports. A draft roadmap for PBN implementation has been in the works, but actual implementation has not occurred in South Africa. ATNS would benefit from the support of professional services to further develop PBN implementation plans not only for South Africa, but also for the SADC region.

The U.S. export potential assessment was conducted based on the proposed ATNS/ACSA Airside Capacity Enhancement Project for the O.R. Tambo, Cape Town, and Durban International Airports. Based on the U.S. export potential assessment, it is determined that there are opportunities for U.S. firms to market airside capacity enhancement technologies, air navigation systems, and professional services for the development of PBN procedures in South Africa.

The results from the U.S. export assessment indicate that the most likely sources of U.S. exports could be in the procurement and installation of advanced radar technologies such as Precision Runway Monitoring (PRM), PRM software and its integration with ATC systems, A-SMGCS systems, Automated Weather Observation Systems (AWOS), ATC communications systems, Secondary Surveillance Radars (SSRs), ATFM systems, and from professional services associated with capacity enhancement technologies and the development of PBN procedures and applications.

The development of a feasibility study which would include the assessment, identification, and prioritization of airport capacity enhancement technologies and infrastructure improvements, could possibly create further opportunities for U.S. export potential as U.S. companies would be made aware of the potential procurement for equipment, systems, and professional services.

2.1 Estimate of Potential Procurement – ATNS/ACSA

The information obtained as part of the DM indicates that the type of aviation and airport capacity enhancement technologies most likely required for the proposed ATNS/ACSA Airside Capacity Enhancement Project must be, in its majority, imported by ATNS and ACSA as these systems are not currently manufactured in South Africa. The proposed ATNS/ACSA Airside Capacity Enhancement Project is expected cover sophisticated aviation systems and applications that have been developed in the United States. U.S. companies have the required knowledge and expertise to provide the services and technologies that may be recommended as part of the proposed ATNS/ACSA Airside Capacity Enhancement Project.

After reviewing the potential needs for airside capacity enhancement technologies, it is determined that U.S. companies could adequately supply the required services and equipment to ATNS and ACSA. Furthermore, the U.S. export assessment indicates that the type of technologies that are likely to be required in connection with the proposed ATNS/ACSA Airside Capacity Enhancement Project, are currently being utilized widely throughout the United States, and are therefore readily available for export to South Africa.

An estimate of potential procurements of U.S. technology has been developed for the proposed ATNS/ACSA Airside Capacity Enhancement and these are presented in Table 19 below.

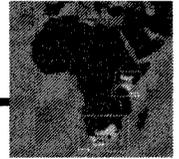
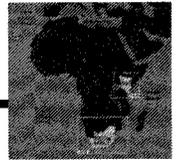


Table No. 19				
ATNS/ACSA Airside Capacity Enhancement Project				
U.S. Export Potential				
Item	Description	Quantity	Estimated Cost US \$/Unit	TOTAL US\$
1.0	SECTION 1.0 - Airside Equipment/Systems			
1.1	Advanced Surface Movement Guidance and Control Systems (A-SMGCS)	1	2,600,000	2,600,000
1.2	Precision Runway Monitoring Radar (PRM Radar)	1	10,000,000	10,000,000
1.3	Automated Weather Observation System (AWOS System)	1	1,300,000	1,300,000
1.4	PSR Radar Replacement	1	10,000,000	10,000,000
1.5	SSR-S Mode Radar	1	7,000,000	7,000,000
1.6	Communication Systems	1	1,500,000	1,500,000
1.7	ATC System Upgrade	1	1,500,000	1,500,000
1.8	Signal Aids/ Runway/ Exit/ Taxiway Lighting Systems	1	1,000,000	1,000,000
1.9	ASDE-X Airport Surface Detection Equipment-Model X – Runway Intrusion Control	1	2,000,000	2,000,000
1.10	Runway Status Lights System	1	1,500,000	1,500,000
1.11	NAVAIDS Replacements	3	1,200,000	3,600,000
	TOTAL SECTION 1.0			42,000,000
2.0	SECTION 2.0 - PROFESSIONAL SERVICES			
2.1	Capacity Enhancement Systems (CES) Design		700,000	700,000
2.2	Coordination/Implementation Consulting Services for CES		500,000	500,000
2.3	Operational Training Services – ATC, Pilots, ATNS/ACSA staff		800,000	800,000
2.4	ADS-B and Multilateration System Development		1,000,000	1,000,000
2.5	Airside Capacity Infrastructure - Design Services	\$40 M Project	4,000,000(*)proportionate to project size	4,000,000
2.6	PBN Development /Services		1,000,000	1,000,000
	TOTAL SECTION 2.0			8,000,000
	GRAND TOTAL			50,000,000

The most likely U.S. exports are found in the area of highly advanced radar technology (PRM), A-SMGCS systems, Surveillance systems, Automated Weather Observation Systems (AWOS), and others as well as professional services associated with the design, implementation, and



integration of such systems and PBN development and services. The total U.S. export potential associated with the proposed ATNS/ACSA Airside Capacity Enhancement Project is estimated to be U.S. \$ 50 million.

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3.1 Primary Developmental Impacts

The primary developmental benefits expected from the ATNS/ACSA Airside Capacity Enhancement Project in South Africa were assessed with the purpose to identify the most important and measurable benefits for the O.R. Tambo, Cape Town, and Durban International Airports. First, the assessment of benefits directly related to infrastructure and modern technology implementation were reviewed for O.R. Tambo, Cape Town, and Durban International Airports and its impact on the rest of the South African airport system. The benefits that are expected to result from the airside capacity improvements (radar technology, weather systems, ATC/communication systems, runway/taxiway lighting, rapid exit taxiways, others) will mostly consist of cost savings to current and future airport users associated with reduced time spent in the South African airport system. The implementation of state-of-the-art airside capacity enhancement technologies and air navigation systems could translate into a safer and more efficient use of airport facilities at O.R. Tambo, Cape Town, and Durban International Airports, that could positively impact time spent in the South African airport system.

A primary developmental impact would be the reduced time spent by the users in the South African airport system in the form of reduced delay, more efficient processing, and reduced idle time. As time reduction and cost savings occur, the O.R. Tambo, Cape Town, and Durban International Airport facilities are expected to accommodate additional aircrafts and contribute to the ability to process more airport operations and passengers, greater safety, and security,

[REDACTED]

[REDACTED]



reduced environmental impacts, aircraft fuel savings and potential increase in revenues for the airlines and ACSA, as well as provide greater comfort for travelers. These improvements are likely to support the operations of South African Airways at its principal air hub in Johannesburg and could translate into healthier business activities for the airline and consequently ACSA.

3.2 Infrastructure

The ATNS/ACSA Airside Capacity Enhancement Project is expected to review airside infrastructure improvements at the O.R. Tambo, Cape Town, and Durban International Airports including potential construction/improvements of rapid exit taxiways (RETs), rapid approach taxiways (RATs), holding bays, parallel runways, multiple holding points, and remote holding areas. The construction of new infrastructure and implementation of new technology for capacity improvements at the O.R. Tambo, Cape Town, and Durban International Airports could create new jobs in the construction sector and technology transfer opportunities as aviation technologies and airfield infrastructure could eventually be built in the country.

3.3 Human Capacity Building

The implementation of modern aviation equipment and systems will require that local personnel be trained in order to operate and maintain new capacity enhancement systems at the various airports and this could positively impact human capacity building in the country. With the increase in airport capacity and efficiency, the O.R. Tambo, Cape Town, and Durban International Airports could expect to see an increase in operations that could lead to higher air and passenger traffic as well as increase revenues for South African Airways, ACSA, and ATNS.

3.4 Technology Transfer and Productivity Enhancement

Technology transfer opportunities are possible given that new aviation technologies could eventually be implemented at the O.R. Tambo, Cape Town, and Durban International Airports in South Africa. One of the main objectives related to airport capacity improvements in South Africa is to increase visitors' accessibility to tourist areas which is expected to increase tourism activity. As such, economic development is anticipated from the improvements to be made at O.R. Tambo, Cape Town, and Durban International Airports which could in turn induce job creation and development around tourist regions, enhance productivity, trade, and increase air mobility and expand cargo operations.

3.5 Other Benefits

Other benefits expected from airport capacity enhancement applications include lower transportation costs, improved schedule predictability, more efficient traffic flows, use of faster, larger, and more efficient aircraft, compliance with international standards, improved aviation safety, environmental benefits, rehabilitation of airside facilities, airfield safety, and others.

3.6 Alternatives

The alternatives to achieve ACSA's objectives to improve airport capacity at O.R. Tambo, Cape Town, and Durban International Airports were reviewed as part of the DM. ACSA devoted most



of its efforts in the expansion and redevelopment of the airport terminals in anticipation of the influx of passengers attending the 2010 FIFA Soccer World Cup sporting event.

ACSA developed airport terminal master plans for the main three airports and actually constructed the new airport at Durban in advance of the World Cup event. ACSA was able to accomplish much of its terminal expansion and modernization in time for the World Cup event and the company now wishes to focus its attention on the airside needs and as such, ACSA together with ATNS have requested financial assistance from USTDA for a feasibility study.

While ACSA and ATNS have conducted in-house preliminary reviews for airside capacity improvements at the airports, each company has its own ideas and concepts for improvements, and the two agencies need a comprehensive analysis of all the alternatives affecting ACSA and ATNS to put things in perspective in defining specific projects and technology applications.

With the implementation of state-of-the-art airside capacity enhancement technologies at O.R. Tambo, Cape Town, and Durban International Airports, ATNS and ACSA officials could see positive impacts on the advancement of commercial trade in the region and further support for SADC trading initiatives, increase economic productivity, as well as air transport safety and efficiency. These benefits would enhance competitiveness, enhancement of air safety and better management of air traffic, reduce energy consumption that contributes positively to the environment, and lower air transportation cost and increase convenience to passengers.

■ [REDACTED]

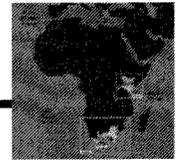
■ [REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

The ATNS/ACSA Airside Capacity Enhancement Project is expected to involve the installation of advanced radar technology combined with air navigation systems and the integration of such systems with the existing ATC centers at the O.R. Tambo, Cape Town and Durban International Airports, utilizing sophisticated radars, software, and information systems. The application of these systems are not likely to have negative impacts on the environment as existing airside infrastructure is already in place to adapt new technologies to the airport, therefore minimizing the impact on the environment.

In terms of potential recommendations from the study related to the construction of airside infrastructure such as taxiways, runways, aprons, holding areas, and others, the necessary environmental assessments will have to be completed for these type of activities. However, both ACSA and ATNS have very strong programs for environmental protection requiring any project to undergo a rigorous environmental process.

ATNS and ACSA have demonstrated their commitment to adhere to environmental friendly practices and both agencies have played a key role in the mitigation of environmental impact as a result of the implementation of its current systems, establishment of policies, and programs in South Africa. ATNS and ACSA's strategies integrate environmentally friendly practices and programs that influence company management to constantly factor in the protection of the environment by considering noise, gaseous emissions, and other environmental issues in the planning of services and projects. Examples of ATNS environmental initiatives include the implementation of Reduced Vertical Separation Minima (RVSM) for increase airspace capacity and efficiency, the accommodation of User Preferred Trajectories in the oceanic and other airspaces to optimize flight trajectories and flight procedure design to reduce noise emissions over densely populated and sensitive areas.

These initiatives have contributed positively to the South African environment and the implementation of future airside capacity enhancement and air navigation technologies resulting from the ATNS/ACSA Airside Capacity Enhancement Project should further enhance environmental conditions as more precise, accurate, and reliable technologies should represent less emissions and noise.

The provision of air transportation services generates noise and at times takes away benefits from those who are subjected to aircraft noise. The implementation of capacity enhancement technologies could increase airport operations at the O.R. Tambo, Cape Town, and Durban



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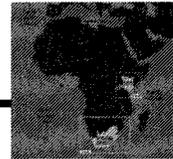
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USTDA should consider funding the ATNS/ACSA Airside Capacity Enhancement feasibility study because the proposed project meets USTDA grant funding criteria as confirmed by the Definitional Mission findings. A review of the information obtained as part of the Definitional Mission indicates that the ATNS/ACSA Airside Capacity Enhancement Project is economically, financially, and technically feasible. Export potential of U.S. goods and services is considered to be moderate given the type of modern aviation and airport systems that are likely to be required by the project. U.S. export potential for airside capacity enhancement and other aviation related systems and services has been estimated to be U.S. \$ 50 million. If the proposed project is successful in the implementation of U.S. airside capacity enhancement technologies, ATNS and ACSA could view the airside capacity enhancement project as a model for other airports in South Africa and long term, this could translate into additional business opportunities for U.S. firms, thus potentially increasing U.S. exports.

U.S. companies definitely have the expertise required to provide the services and technologies likely to be required by the ATNS/ACSA Airside Capacity Enhancement Project. In reviewing the need for equipment, systems, and engineering services, HEP Transportation Consulting determined that U.S. companies should be able to adequately supply the required technologies and services for the proposed ATNS/ACSA Airside Capacity Enhancement Project.

The technologies most likely required for the ATNS/ACSA Airside Capacity Enhancement Project are currently being utilized widely at U.S. airports, and are therefore readily available for export to South Africa. The United States is an industry leader in aviation technology with a



significant number of applications for international, regional, and local airports. Furthermore, since the substantial increase in air traffic over the last 15 years, the aviation industry in the United States has experienced significant growth and technological advancement that has led to the development and application of the most sophisticated technologies for air navigation and airport systems. The U.S. is also a leader in the development of radar and communications technologies with specific applications for the aviation sector and such technologies are also available for exporting to South Africa.

Several of the U.S. companies contacted in connection of with ATNS/ACSA Airside Capacity Enhancement Project demonstrated a positive interest in exporting their products to South Africa. There is sufficient interest on the part of U.S. system suppliers to sale their products in South Africa, as these U.S. companies recognize the potential of the aviation and airport market in that country and the immediate region. The implementation of new and advanced U.S. technologies in South Africa could represent the mechanism needed to open the door for U.S. companies to penetrate the South African market.

The assessment conducted as part of the Definitional Mission determines that the project sponsors (ATNS and ACSA) have the required administrative and technical capacity to undertake the implementation of the ATNS/ACSA Airside Capacity Enhancement Project, as demonstrated by these two companies' prior commitment in pursuing the technological modernization of air navigation and airport infrastructure in South Africa. Both ATNS and ACSA's track record is considered excellent in terms of the companies' ability to develop aviation policy and strategies, strategic planning, financing the aviation sector, project implementation, as well as the operation and maintenance of South Africa's airspace and airports.

The financial assessment conducted for ATNS and ACSA revealed that the two companies have been operating in good financial standing for the last five years, generating substantial profits from air navigation and airport services. A substantial portion of ATNS and ACSA's revenues have been invested back into the South African national airspace and airport system, which has resulted in the impressive modernization of airports. ATNS and ACSA's diversification of its assets and services combined with the increases in air and passenger traffic along with the growth experienced by South African Airways, has proven to strengthen the two companies' financial standings while providing quality air navigation and airport services.

The overall assessment of the foreign competition component indicates that U.S. companies currently face significant foreign competition in the South African aviation market. However, U.S. aviation technologies are known to be of the highest quality and with one of the highest level of reliability and durability. ATNS and ACSA have not had a quality opportunity to evaluate the use of U.S. aviation technologies lately and as such, it is important that the necessary steps be taken to introduce U.S. aviation technologies to the South African authorities.

USTDA could play a key role in promoting U.S. business activities in the aviation sector in South Africa by financing the ATNS/ACSA Airside Capacity Enhancement Feasibility study, which could open the door for U.S. companies to export their products to South Africa.

The implementation of airside capacity enhancement technologies at the O.R. Tambo, Cape Town, and Durban International Airports would provide for the building of advanced technology and airside infrastructure that would likely enhance airport operational efficiency. In addition,

ANNEX 3



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

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

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

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

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

NATIONALITY:

1) Rule

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

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

2) Application

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

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

3) Definitions

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

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

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

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

SOURCE AND ORIGIN:

1) Rule

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

2) Application

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

3) Definitions

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

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

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

ANNEX 4

South Africa 2012-1100/A

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GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and the Air Traffic and Navigation Services Company Limited of South Africa ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US\$758,000 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed Airside Capacity Enhancements project ("Project") in South Africa ("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.

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, 2012, is the date by which the parties estimate that the Study will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

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

9. USTDA Mandatory Clauses

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

10. Use of U.S. Carriers

(A) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, 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 Chief Executive Officer. The parties hereto may, by written notice, designate additional representatives for all purposes under the Grant Agreement.

17. Addresses of Record for Parties

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through a wire or electronic medium which produces a tangible record of the transmission, such as a telegram, cable or facsimile, and will be deemed duly given or sent when delivered to such party at the following:

To: Air Traffic and Navigation Services Company Limited of South Africa
Private Bag X15
Kempton Park
1620
Gauteng
South Africa

Phone: +27 11 961 0100
Fax: +27 11 961 0413

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

Phone: +1 703 875 4357
Fax: +1 703 875 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 12/13 1001
Activity No.: 2012-11001A
Reservation No.: 2012023
Grant No.: GH201211023

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.

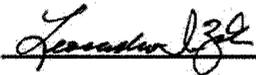
20. U.S. Technology and Equipment

By funding this Study, USDITA 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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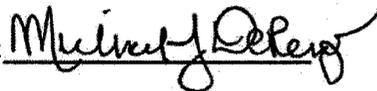
IN WITNESS WHEREOF, the Government of the United States of America and Air Traffic and Navigation Services Company Limited of South Africa, each acting through its duly authorized representative, have caused this Agreement to be signed in the English language in their names and delivered as of the day 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

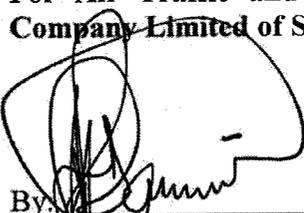
By: 

Date: October 27, 2011

Witnessed:

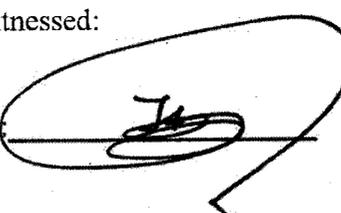
By: 

For Air Traffic and Navigation Services
Company Limited of South Africa

By: 

Date: 27th October 2011

Witnessed:

By: 

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex I

Terms of Reference

The Air Traffic and Navigation Services Company Limited of South Africa ("Grantee") has requested funding from the U.S. Trade and Development Agency ("USTDA") for a feasibility study ("Study") to evaluate the technical, financial, environmental, and other critical aspects of the proposed Airside Capacity Enhancements project ("Project") in South Africa. The Airports Company South Africa Limited ("ACSA") will also play an active role in the Study and Project implementation. In particular, the Study will evaluate the feasibility of utilizing advanced technologies and procedural improvements to reduce delays and increase the efficiency and safety of air traffic movements at the Cape Town, King Shaka (Durban), and O.R. Tambo (Johannesburg) international airports ("Airports"). The primary objective of the Study is to provide the Grantee and ACSA with analyses and recommendations that will support their decision-making with regard to implementation of the Project.

Task 1: Kickoff Meeting, Work Plan, Document Review, and Site Visits

Sub-Task 1.1 – Kickoff Meeting and Work Plan: The Contractor shall conduct a kickoff meeting at a facility to be provided by the Grantee with the Grantee and ACSA, as well as other relevant South African aviation sector stakeholders (such as the South African Department of Transport ("SADOT"), the South African Civil Aviation Authority ("SACAA"), and the South African Weather Service ("SAWS")). The Grantee shall identify appropriate personnel to participate in the kickoff meeting, including Grantee and ACSA officials with expertise in various aspects of airside capacity planning and operations, project financing, regulatory and environmental issues, etc. The Grantee shall also identify a Point of Contact ("POC") for the Study prior to the start of the Contractor's work effort. The POC shall assist in arranging meetings between the Contractor and the Grantee, ACSA, and other stakeholders, as necessary, to carry out the Study.

During the kickoff meeting, the Contractor shall: introduce the Contractor's Study team; review the tasks to be performed under these Terms of Reference; review the Contractor's work plan to perform the tasks under these Terms of Reference ("Work Plan"); and gather input from the Grantee regarding the Grantee's goals for the Study, salient issues surrounding the Grantee's plans to increase the airside capacity of the Airports, and Grantee requests for changes in the Contractor's Work Plan for the Study, if any.

For the kickoff meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and

presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Sub-Task 1.2 – Document Review: The Grantee shall provide the Contractor with all available information needed for the Contractor to successfully carry out the Study, such as:

- The latest master plans, airside capacity studies, air traffic forecasts, and other relevant air traffic statistics for the Airports;
- As-built airside drawings for the Airports;
- Information concerning existing airside operations, procedures, organization, and staffing at the Airports;
- Existing airside improvement plans and any on-going airside improvement projects at the Airports, as well as any other existing development plans and on-going development projects that would have an impact on airside operations at the Airports;
- Schedules for air navigation and airport taxes, fees and service charges at the Airports (as determined by the relevant regulatory oversight bodies);
- Financial statements and financial projections for the Grantee and ACSA;
- Relevant South African government policies, tourism and industry development plans, regional economic growth forecasts, and current trends in air traffic growth in South Africa;
- Development plans for the areas surrounding the Airports and pertinent environmental information concerning the Airports and the areas surrounding the Airports; and
- Any other information the Grantee deems pertinent to the Contractor's ability to successfully carry out the Study.

The Contractor shall review all of the information provided by the Grantee and compile all relevant information to be utilized by the Contractor in carrying out the Study in a document review report.

Sub-Task 1.3 – Site Visits: The Contractor shall conduct site visits at each of the Airports to determine their existing (or baseline) airside capacities. The site visits shall include on-site reviews of all airside infrastructure, facilities, equipment, technologies, operations, and procedures. The Contractor shall also conduct interviews with relevant Grantee and ACSA staff members, including personnel from each of the Airports, as well as staff members from other relevant South African aviation sector stakeholders (such as SADOT, SACAA, and SAWS) to obtain the latest information and understanding of existing airside conditions, current priorities, and the status of existing and proposed airside improvement programs at the Airports. The Contractor shall document the findings from the site visits and staff interviews in a site visit report.

Task 1 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 1.

Task 2: Technical Analyses

The Contractor shall conduct technical analyses of all relevant airside infrastructure, facilities, equipment, technologies, operations, and procedures at each of the Airports to determine their existing condition, baseline operational capacities (both as stand-alone elements and within the overall airside infrastructure), and potential opportunities for improvements, upgrades, and/or replacements that would reduce delays and increase the efficiency and safety of air traffic movements the Airports. The Contractor shall also identify potential new airside infrastructure, facilities, equipment, technologies, operations, and procedures that would reduce delays and increase the efficiency and safety of air traffic movements the Airports.

The Contractor shall identify gaps between the existing airside capacities at each of the Airports and international best practices for similar airports. For each of the Airports, the Contractor shall also provide the Grantee and ACSA with at least one case study example of successful airside capacity enhancement projects at a similar airport, for a total of at least three case study examples of successful airside capacity enhancement projects at similar airports.

In consultation with the Grantee and ACSA, the Contractor shall recommend improvements, upgrades, replacements, and/or new airside infrastructure, facilities, equipment, technologies, procedures, and operations at each of the Airports, with the objective of maximizing the overall airside capacities of the Airports ("Recommended Airside Capacity Enhancements").

The Contractor shall identify all technical requirements associated with implementing the Recommended Airside Capacity Enhancements, such as installation (including any required installations in aircraft servicing the Airports), systems integration, operations and maintenance, staffing and training, supplemental software and hardware systems, etc. The Contractor shall also identify key technical challenges and technology risks associated with the Recommended Airside Capacity Enhancements, such as interoperability and technology dependency issues, buy-in from airlines, pilots, air traffic controllers, and other relevant stakeholders, etc.

Task 2 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 2.

Task 3: Economic and Financial Analyses

The Contractor shall conduct economic and financial analyses of the Recommended Airside Capacity Enhancements at each of the Airports. The economic and financial analyses of the Recommended Airside Capacity Enhancements shall be conducted both for individual recommendations on a stand-alone basis, as well as for full implementation of all Recommended Airside Capacity Enhancements at each of the Airports. The

economic and financial analyses shall be conducted on a life-cycle cost basis and shall include the level of detail required by the Grantee's and ACSA's internal decision making processes, as well as those of multilateral lending agencies (such as the World Bank and the African Development Bank).

The Contractor shall estimate the costs associated with the Recommended Airside Capacity Enhancements. The cost estimates shall include all capital, operations, and maintenance costs associated with the Recommended Airside Capacity Enhancements, as well as any additional costs associated with installation, systems integration, staffing and training, certifications, permits and regulatory approvals, supplemental software and hardware systems, financing costs, etc.

The Contractor shall estimate the revenues and cost savings associated with the Recommended Airside Capacity Enhancements. Estimates of increased revenues associated with the Recommended Airside Capacity Enhancements shall be consistent with the air navigation and airport taxes, fees and service charges (as determined by the relevant regulatory oversight bodies). In addition to estimating the increased revenues and cost savings that will accrue to the Grantee and ACSA as a result of the Recommended Airside Capacity Enhancements, the Contractor shall also estimate the savings and other benefits, such as reduced delays, decreases in noise and emissions at the Airports, and increased safety, that would be realized by airport users (including airlines and passengers) and other relevant stakeholders.

The Contractor shall conduct cost-benefit analyses and calculate the anticipated internal rate of return ("IRR") and return on investment ("ROI") for the Recommended Airside Capacity Enhancements. The Contractor shall calculate the IRR and ROI using different assumptions for key variables that affect the IRR and ROI, such as cost estimates, increased revenues from air navigation and airport taxes, fees and service charges, and anticipated savings. The Contractor shall conduct sensitivity analyses of the IRR and ROI based on the utilization of different assumptions for each of the key variables.

The Contractor shall evaluate potential sources of financing for the Recommended Airside Capacity Enhancements such as: Grantee and ACSA budgetary resources; bilateral lending agencies such as the Export-Import Bank of the United States; multilateral lending agencies such as the World Bank and the African Development Bank; and private sector financing mechanisms such as commercial loans, supplier credits, and other relevant sources of private sector financing. The Contractor shall also evaluate different options for the financial structure of the Recommended Airside Capacity Enhancements such as different debt and equity ratios and options for private sector participation. Based on these evaluations, the Contractor shall provide the Grantee with recommendations for sources of financing and the financial structure of the Recommended Airside Capacity Enhancements at each of the Airports.

Task 3 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 3.

Task 4: Institutional, Legal, Regulatory, and Procurement Practices Review

The Contractor shall conduct a review of all South African institutions, laws, regulations, and standards that will impact the implementation of the Recommended Airside Capacity Enhancements, as well as relevant International Civil Aviation Organization ("ICAO") regulations and standards. The Contractor shall also conduct interviews with relevant Grantee and ACSA staff members, as well as staff members from other relevant South African aviation sector stakeholders (such as SADOT, SACAA, and SAWS) and ICAO, to gather information about institutions, laws, regulations, and standards that will impact the implementation of the Recommended Airside Capacity Enhancements.

The Contractor shall identify the necessary steps that the Grantee and ACSA will need to take to comply with all relevant institutional, legal, regulatory, and standards requirements, including but not limited to: safety, noise, emissions, environment, performance, etc. The Contractor shall also identify any institutional, legal, regulatory, or standards barriers that could prevent the successful implementation of the Recommended Airside Capacity Enhancements. If necessary, the Contractor shall recommend potential changes to South African institutions, laws, regulations, and/or standards that would support the implementation of airside capacity enhancements in South Africa.

The Contractor shall conduct a review of the Grantee's and ACSA's procurement policies, processes, and practices, as well as relevant South African procurement laws and regulations. The Contractor shall also conduct a review of any existing plans the Grantee and ACSA may have to improve their procurement policies, processes, and practices. The Contractor shall provide the Grantee and ACSA with recommendations for improvements to their procurement policies, processes, and practices, with the objective of promoting increased competition among qualified suppliers, while also complying with relevant South African procurement laws and regulations. In developing the recommended improvements to the Grantee's and ACSA's procurement policies, processes, and practices, the Contractor shall take into account issues such as life-cycle costing, the use of performance specifications, evaluation of product quality, reliability, durability and warranties, technology dependency and the proprietary systems, etc.

Task 4 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 4.

Task 5: Preliminary Environmental Impact Assessments

The Contractor shall conduct preliminary environmental impact assessments of the Recommended Airside Capacity Enhancements at each of the Airports, with reference to South African environmental requirements, including those of the Grantee and ACSA, as well as those of multilateral lending agencies (such as the World Bank and the African Development Bank). The preliminary environmental impact assessments of the

Recommended Airside Capacity Enhancements shall be conducted both for individual recommendations on a stand-alone basis, as well as for full implementation of all Recommended Airside Capacity Enhancements at each of the Airports. The preliminary environmental impact assessments shall: identify anticipated environmental impacts, both positive and negative, associated with the Recommended Airside Capacity Enhancements; provide recommendations for maximizing positive environmental impacts and minimizing negative environmental impacts; and identify the steps that the Grantee and ACSA will need to take subsequent to the Study's completion and prior to implementation of the Recommended Airside Capacity Enhancements to comply with South African environmental requirements and those of multilateral lending agencies (such as the World Bank and the African Development Bank).

Task 5 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 5.

Task 6: Specifications and Recommendations

The Contractor shall develop detailed descriptions, performance specifications, evaluation criteria, and budgets for each of the Recommended Airside Capacity Enhancements. In developing the descriptions, performance specifications, evaluation criteria, and budgets for the Recommended Airside Capacity Enhancements, the Contractor shall take into account life-cycle cost factors, such as quality, reliability, durability, and warranties. The Contractor shall also take into account applicable standards, regulations, and guidance from the Grantee, ACSA, SADOT, SACAA, SAWS, and ICAO. Where applicable, the Contractor shall also identify standards that would need to be adopted by the Grantee and ACSA to support the implementation of the Recommended Airside Capacity Enhancements.

The Contractor shall compile a comprehensive list of potential U.S. sources of supply available for the Project. U.S. sources of supply shall include U.S. providers of all the different categories of goods and services required for implementation of the Project. For each U.S. source of supply identified, the Contractor shall include: company name, point of contact, address, telephone, fax, e-mail, and relevant good(s) and/or service(s) provided.

Task 6 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 6.

Task 7: Development Impact Assessments – The Contractor shall conduct development impact assessments of the Recommended Airside Capacity Enhancements at each of the Airports. The development impact assessments of the Recommended Airside Capacity Enhancements shall be conducted both for individual recommendations on a stand-alone basis, as well as for full implementation of all Recommended Airside Capacity Enhancements at each of the Airports. The purpose of the development impact

assessments is to provide the Project's decision makers and interested parties with a broader view of the Project's potential effects on South Africa. The development impact assessments shall identify the anticipated impacts of the Project in the following categories:

- (1) Infrastructure: The Contractor shall identify the anticipated infrastructure impacts of the Recommended Airside Capacity Enhancements, giving a brief synopsis and concrete examples of infrastructure impacts. Examples of infrastructure impacts related to implementation of the Recommended Airside Capacity Enhancements may include the installation of advanced technologies, such as radars, navigational aids, communications and control systems, and other related hardware and software systems. The Contractor shall provide specific information about the anticipated infrastructure impacts of the Recommended Airside Capacity Enhancements, such as the anticipated number and performance requirements of the technologies to be installed, as well as the anticipated impact of these technologies and other Study recommendations, such as procedural improvements, on the overall airside capacity of the Airports.
- (2) Human Capacity Building: The Contractor shall identify the anticipated number and types of local jobs that would be created or retained as a result of the Recommended Airside Capacity Enhancements. The Contractor shall also identify the number of local people who would receive training and the types of training programs required to implement and sustain the Recommended Airside Capacity Enhancements. The Contractor shall not include training performed under these Terms of Reference in the development impact assessments.
- (3) Technology Transfer and Productivity Enhancement: The Contractor shall identify the anticipated advanced technologies that would be utilized for the Recommended Airside Capacity Enhancements. The Contractor shall also identify anticipated efficiencies that would be gained as a result of the Recommended Airside Capacity Enhancements. Examples of efficiencies related to implementation of the Recommended Airside Capacity Enhancements may include higher output per resource use, lower costs, or other common measures of efficiency used in the aviation industry.
- (4) Market Oriented Reforms: The Contractor shall provide a description of any institutional, legal, regulatory, or standards changes, including changes to the Grantee's and ACSA's procurement practices, that are recommended pursuant to these Terms of Reference and the effect they would have if implemented.
- (5) Other: The Contractor shall identify any other anticipated development impacts or benefits that would result from the Recommended Airside Capacity Enhancements, such as improved financial revenue flows to the Grantee, ACSA, or other South African government stakeholders, improvements in South Africa's trade capacity, impacts on regional integration, impacts on aviation safety in South Africa, positive spin-off effects on other economic sectors, etc.

Task 7 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 7.

Task 8: Implementation Plan

The Contractor shall develop an implementation plan that identifies all the steps the Grantee and ACSA will need to take subsequent to the Study's completion to implement the Recommended Airside Capacity Enhancements at each of the Airports ("Implementation Plan"), such as:

- Compliance with all legal, regulatory, and institutional requirements, including all necessary approvals, certifications, and permits;
- Full environmental impact assessments that comply with South African environmental requirements and those of multilateral lending agencies (such as the World Bank and the African Development Bank);
- Financial arrangements;
- Procurements of goods and services;
- Installation and systems integration requirements; and
- Staffing and training requirements.

The Implementation Plan shall include:

- Descriptions of all the steps the Grantee and ACSA will need to take to implement the Recommended Airside Capacity Enhancements at each of the Airports;
- A recommended schedule for implementing the Recommended Airside Capacity Enhancements at each of the Airports, including recommendations for phasing, milestones, and prioritization of investments;
- An assessment of how the implementation of the Recommended Airside Capacity Enhancements will impact the Grantee's and ACSA's operations, as well as air traffic operations at each of the Airports;
- Recommendations for maximizing the anticipated positive impacts and minimizing the anticipated negative impacts of the Recommended Airside Capacity Enhancements;
- Budgetary requirements for each step in the Implementation Plan; and
- Justifications for the investment requirements of the Recommended Airside Capacity Enhancements based on cost-benefit analyses.

Task 8 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 8.

Task 9: Final Report

The Contractor shall prepare and deliver to the Grantee and ACSA a substantive and comprehensive draft final report of all work performed under these Terms of Reference ("Draft Final Report").

After the Grantee and ACSA have had an opportunity to review the Draft Final Report, the Contractor shall conduct a final report meeting at a facility to be provided by the Grantee with the Grantee and ACSA, as well as other relevant South African aviation sector stakeholders (such as the SADOT, SACAA, and SAWS). The Grantee shall identify appropriate personnel to participate in the final report meeting, including Grantee and ACSA officials with expertise in various aspects of airside capacity planning and operations, project financing, regulatory and environmental issues, etc.

During the final report meeting, the Contractor shall: review all work performed under these Terms of Reference; present the findings and recommendations from the Draft Final Report; and gather feedback from the Grantee and ACSA on the Draft Final Report and requests for changes to the Draft Final Report, if any.

For the final report meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

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

Notes:

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

Annex II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this contract acknowledge that this contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and the Air Traffic and Navigation Services Company Limited of South Africa ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the feasibility study ("Study") for the proposed Airside Capacity Enhancements project ("Project") in South Africa ("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, 2012, is the date by which the parties estimate that the Study will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

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

L. Business Practices

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

M. USTDA Address and Fiscal Data

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

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

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

Fiscal Data:

Appropriation No.: 11 12/13 1001
Activity No.: 2012-11001A
Reservation No.: 2012023
Grant No.: GH201211023

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

Annex I

Terms of Reference

The Air Traffic and Navigation Services Company Limited of South Africa ("Grantee") has requested funding from the U.S. Trade and Development Agency ("USTDA") for a feasibility study ("Study") to evaluate the technical, financial, environmental, and other critical aspects of the proposed Airside Capacity Enhancements project ("Project") in South Africa. The Airports Company South Africa Limited ("ACSA") will also play an active role in the Study and Project implementation. In particular, the Study will evaluate the feasibility of utilizing advanced technologies and procedural improvements to reduce delays and increase the efficiency and safety of air traffic movements at the Cape Town, King Shaka (Durban), and O.R. Tambo (Johannesburg) international airports ("Airports"). The primary objective of the Study is to provide the Grantee and ACSA with analyses and recommendations that will support their decision-making with regard to implementation of the Project.

Task 1: Kickoff Meeting, Work Plan, Document Review, and Site Visits

Sub-Task 1.1 – Kickoff Meeting and Work Plan: The Contractor shall conduct a kickoff meeting at a facility to be provided by the Grantee with the Grantee and ACSA, as well as other relevant South African aviation sector stakeholders (such as the South African Department of Transport ("SADOT"), the South African Civil Aviation Authority ("SACAA"), and the South African Weather Service ("SAWS")). The Grantee shall identify appropriate personnel to participate in the kickoff meeting, including Grantee and ACSA officials with expertise in various aspects of airside capacity planning and operations, project financing, regulatory and environmental issues, etc. The Grantee shall also identify a Point of Contact ("POC") for the Study prior to the start of the Contractor's work effort. The POC shall assist in arranging meetings between the Contractor and the Grantee, ACSA, and other stakeholders, as necessary, to carry out the Study.

During the kickoff meeting, the Contractor shall: introduce the Contractor's Study team; review the tasks to be performed under these Terms of Reference; review the Contractor's work plan to perform the tasks under these Terms of Reference ("Work Plan"); and gather input from the Grantee regarding the Grantee's goals for the Study, salient issues surrounding the Grantee's plans to increase the airside capacity of the Airports, and Grantee requests for changes in the Contractor's Work Plan for the Study, if any.

For the kickoff meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and

presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Sub-Task 1.2 – Document Review: The Grantee shall provide the Contractor with all available information needed for the Contractor to successfully carry out the Study, such as:

- The latest master plans, airside capacity studies, air traffic forecasts, and other relevant air traffic statistics for the Airports;
- As-built airside drawings for the Airports;
- Information concerning existing airside operations, procedures, organization, and staffing at the Airports;
- Existing airside improvement plans and any on-going airside improvement projects at the Airports, as well as any other existing development plans and on-going development projects that would have an impact on airside operations at the Airports;
- Schedules for air navigation and airport taxes, fees and service charges at the Airports (as determined by the relevant regulatory oversight bodies);
- Financial statements and financial projections for the Grantee and ACSA;
- Relevant South African government policies, tourism and industry development plans, regional economic growth forecasts, and current trends in air traffic growth in South Africa;
- Development plans for the areas surrounding the Airports and pertinent environmental information concerning the Airports and the areas surrounding the Airports; and
- Any other information the Grantee deems pertinent to the Contractor's ability to successfully carry out the Study.

The Contractor shall review all of the information provided by the Grantee and compile all relevant information to be utilized by the Contractor in carrying out the Study in a document review report.

Sub-Task 1.3 – Site Visits: The Contractor shall conduct site visits at each of the Airports to determine their existing (or baseline) airside capacities. The site visits shall include on-site reviews of all airside infrastructure, facilities, equipment, technologies, operations, and procedures. The Contractor shall also conduct interviews with relevant Grantee and ACSA staff members, including personnel from each of the Airports, as well as staff members from other relevant South African aviation sector stakeholders (such as SADOT, SACAA, and SAWS) to obtain the latest information and understanding of existing airside conditions, current priorities, and the status of existing and proposed airside improvement programs at the Airports. The Contractor shall document the findings from the site visits and staff interviews in a site visit report.

Task 1 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 1.

Task 2: Technical Analyses

The Contractor shall conduct technical analyses of all relevant airside infrastructure, facilities, equipment, technologies, operations, and procedures at each of the Airports to determine their existing condition, baseline operational capacities (both as stand-alone elements and within the overall airside infrastructure), and potential opportunities for improvements, upgrades, and/or replacements that would reduce delays and increase the efficiency and safety of air traffic movements the Airports. The Contractor shall also identify potential new airside infrastructure, facilities, equipment, technologies, operations, and procedures that would reduce delays and increase the efficiency and safety of air traffic movements the Airports.

The Contractor shall identify gaps between the existing airside capacities at each of the Airports and international best practices for similar airports. For each of the Airports, the Contractor shall also provide the Grantee and ACSA with at least one case study example of successful airside capacity enhancement projects at a similar airport, for a total of at least three case study examples of successful airside capacity enhancement projects at similar airports.

In consultation with the Grantee and ACSA, the Contractor shall recommend improvements, upgrades, replacements, and/or new airside infrastructure, facilities, equipment, technologies, procedures, and operations at each of the Airports, with the objective of maximizing the overall airside capacities of the Airports ("Recommended Airside Capacity Enhancements").

The Contractor shall identify all technical requirements associated with implementing the Recommended Airside Capacity Enhancements, such as installation (including any required installations in aircraft servicing the Airports), systems integration, operations and maintenance, staffing and training, supplemental software and hardware systems, etc. The Contractor shall also identify key technical challenges and technology risks associated with the Recommended Airside Capacity Enhancements, such as interoperability and technology dependency issues, buy-in from airlines, pilots, air traffic controllers, and other relevant stakeholders, etc.

Task 2 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 2.

Task 3: Economic and Financial Analyses

The Contractor shall conduct economic and financial analyses of the Recommended Airside Capacity Enhancements at each of the Airports. The economic and financial analyses of the Recommended Airside Capacity Enhancements shall be conducted both for individual recommendations on a stand-alone basis, as well as for full implementation of all Recommended Airside Capacity Enhancements at each of the Airports. The

economic and financial analyses shall be conducted on a life-cycle cost basis and shall include the level of detail required by the Grantee's and ACSA's internal decision making processes, as well as those of multilateral lending agencies (such as the World Bank and the African Development Bank).

The Contractor shall estimate the costs associated with the Recommended Airside Capacity Enhancements. The cost estimates shall include all capital, operations, and maintenance costs associated with the Recommended Airside Capacity Enhancements, as well as any additional costs associated with installation, systems integration, staffing and training, certifications, permits and regulatory approvals, supplemental software and hardware systems, financing costs, etc.

The Contractor shall estimate the revenues and cost savings associated with the Recommended Airside Capacity Enhancements. Estimates of increased revenues associated with the Recommended Airside Capacity Enhancements shall be consistent with the air navigation and airport taxes, fees and service charges (as determined by the relevant regulatory oversight bodies). In addition to estimating the increased revenues and cost savings that will accrue to the Grantee and ACSA as a result of the Recommended Airside Capacity Enhancements, the Contractor shall also estimate the savings and other benefits, such as reduced delays, decreases in noise and emissions at the Airports, and increased safety, that would be realized by airport users (including airlines and passengers) and other relevant stakeholders.

The Contractor shall conduct cost-benefit analyses and calculate the anticipated internal rate of return ("IRR") and return on investment ("ROI") for the Recommended Airside Capacity Enhancements. The Contractor shall calculate the IRR and ROI using different assumptions for key variables that affect the IRR and ROI, such as cost estimates, increased revenues from air navigation and airport taxes, fees and service charges, and anticipated savings. The Contractor shall conduct sensitivity analyses of the IRR and ROI based on the utilization of different assumptions for each of the key variables.

The Contractor shall evaluate potential sources of financing for the Recommended Airside Capacity Enhancements such as: Grantee and ACSA budgetary resources; bilateral lending agencies such as the Export-Import Bank of the United States; multilateral lending agencies such as the World Bank and the African Development Bank; and private sector financing mechanisms such as commercial loans, supplier credits, and other relevant sources of private sector financing. The Contractor shall also evaluate different options for the financial structure of the Recommended Airside Capacity Enhancements such as different debt and equity ratios and options for private sector participation. Based on these evaluations, the Contractor shall provide the Grantee with recommendations for sources of financing and the financial structure of the Recommended Airside Capacity Enhancements at each of the Airports.

Task 3 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 3.

Task 4: Institutional, Legal, Regulatory, and Procurement Practices Review

The Contractor shall conduct a review of all South African institutions, laws, regulations, and standards that will impact the implementation of the Recommended Airside Capacity Enhancements, as well as relevant International Civil Aviation Organization ("ICAO") regulations and standards. The Contractor shall also conduct interviews with relevant Grantee and ACSA staff members, as well as staff members from other relevant South African aviation sector stakeholders (such as SADOT, SACAA, and SAWS) and ICAO, to gather information about institutions, laws, regulations, and standards that will impact the implementation of the Recommended Airside Capacity Enhancements.

The Contractor shall identify the necessary steps that the Grantee and ACSA will need to take to comply with all relevant institutional, legal, regulatory, and standards requirements, including but not limited to: safety, noise, emissions, environment, performance, etc. The Contractor shall also identify any institutional, legal, regulatory, or standards barriers that could prevent the successful implementation of the Recommended Airside Capacity Enhancements. If necessary, the Contractor shall recommend potential changes to South African institutions, laws, regulations, and/or standards that would support the implementation of airside capacity enhancements in South Africa.

The Contractor shall conduct a review of the Grantee's and ACSA's procurement policies, processes, and practices, as well as relevant South African procurement laws and regulations. The Contractor shall also conduct a review of any existing plans the Grantee and ACSA may have to improve their procurement policies, processes, and practices. The Contractor shall provide the Grantee and ACSA with recommendations for improvements to their procurement policies, processes, and practices, with the objective of promoting increased competition among qualified suppliers, while also complying with relevant South African procurement laws and regulations. In developing the recommended improvements to the Grantee's and ACSA's procurement policies, processes, and practices, the Contractor shall take into account issues such as life-cycle costing, the use of performance specifications, evaluation of product quality, reliability, durability and warranties, technology dependency and the proprietary systems, etc.

Task 4 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 4.

Task 5: Preliminary Environmental Impact Assessments

The Contractor shall conduct preliminary environmental impact assessments of the Recommended Airside Capacity Enhancements at each of the Airports, with reference to South African environmental requirements, including those of the Grantee and ACSA, as well as those of multilateral lending agencies (such as the World Bank and the African Development Bank). The preliminary environmental impact assessments of the

Recommended Airside Capacity Enhancements shall be conducted both for individual recommendations on a stand-alone basis, as well as for full implementation of all Recommended Airside Capacity Enhancements at each of the Airports. The preliminary environmental impact assessments shall: identify anticipated environmental impacts, both positive and negative, associated with the Recommended Airside Capacity Enhancements; provide recommendations for maximizing positive environmental impacts and minimizing negative environmental impacts; and identify the steps that the Grantee and ACSA will need to take subsequent to the Study's completion and prior to implementation of the Recommended Airside Capacity Enhancements to comply with South African environmental requirements and those of multilateral lending agencies (such as the World Bank and the African Development Bank).

Task 5 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 5.

Task 6: Specifications and Recommendations

The Contractor shall develop detailed descriptions, performance specifications, evaluation criteria, and budgets for each of the Recommended Airside Capacity Enhancements. In developing the descriptions, performance specifications, evaluation criteria, and budgets for the Recommended Airside Capacity Enhancements, the Contractor shall take into account life-cycle cost factors, such as quality, reliability, durability, and warranties. The Contractor shall also take into account applicable standards, regulations, and guidance from the Grantee, ACSA, SADOT, SACAA, SAWS, and ICAO. Where applicable, the Contractor shall also identify standards that would need to be adopted by the Grantee and ACSA to support the implementation of the Recommended Airside Capacity Enhancements.

The Contractor shall compile a comprehensive list of potential U.S. sources of supply available for the Project. U.S. sources of supply shall include U.S. providers of all the different categories of goods and services required for implementation of the Project. For each U.S. source of supply identified, the Contractor shall include: company name, point of contact, address, telephone, fax, e-mail, and relevant good(s) and/or service(s) provided.

Task 6 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 6.

Task 7: Development Impact Assessments – The Contractor shall conduct development impact assessments of the Recommended Airside Capacity Enhancements at each of the Airports. The development impact assessments of the Recommended Airside Capacity Enhancements shall be conducted both for individual recommendations on a stand-alone basis, as well as for full implementation of all Recommended Airside Capacity Enhancements at each of the Airports. The purpose of the development impact

assessments is to provide the Project's decision makers and interested parties with a broader view of the Project's potential effects on South Africa. The development impact assessments shall identify the anticipated impacts of the Project in the following categories:

- (1) Infrastructure: The Contractor shall identify the anticipated infrastructure impacts of the Recommended Airside Capacity Enhancements, giving a brief synopsis and concrete examples of infrastructure impacts. Examples of infrastructure impacts related to implementation of the Recommended Airside Capacity Enhancements may include the installation of advanced technologies, such as radars, navigational aids, communications and control systems, and other related hardware and software systems. The Contractor shall provide specific information about the anticipated infrastructure impacts of the Recommended Airside Capacity Enhancements, such as the anticipated number and performance requirements of the technologies to be installed, as well as the anticipated impact of these technologies and other Study recommendations, such as procedural improvements, on the overall airside capacity of the Airports.
- (2) Human Capacity Building: The Contractor shall identify the anticipated number and types of local jobs that would be created or retained as a result of the Recommended Airside Capacity Enhancements. The Contractor shall also identify the number of local people who would receive training and the types of training programs required to implement and sustain the Recommended Airside Capacity Enhancements. The Contractor shall not include training performed under these Terms of Reference in the development impact assessments.
- (3) Technology Transfer and Productivity Enhancement: The Contractor shall identify the anticipated advanced technologies that would be utilized for the Recommended Airside Capacity Enhancements. The Contractor shall also identify anticipated efficiencies that would be gained as a result of the Recommended Airside Capacity Enhancements. Examples of efficiencies related to implementation of the Recommended Airside Capacity Enhancements may include higher output per resource use, lower costs, or other common measures of efficiency used in the aviation industry.
- (4) Market Oriented Reforms: The Contractor shall provide a description of any institutional, legal, regulatory, or standards changes, including changes to the Grantee's and ACSA's procurement practices, that are recommended pursuant to these Terms of Reference and the effect they would have if implemented.
- (5) Other: The Contractor shall identify any other anticipated development impacts or benefits that would result from the Recommended Airside Capacity Enhancements, such as improved financial revenue flows to the Grantee, ACSA, or other South African government stakeholders, improvements in South Africa's trade capacity, impacts on regional integration, impacts on aviation safety in South Africa, positive spin-off effects on other economic sectors, etc.

Task 7 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 7.

Task 8: Implementation Plan

The Contractor shall develop an implementation plan that identifies all the steps the Grantee and ACSA will need to take subsequent to the Study's completion to implement the Recommended Airside Capacity Enhancements at each of the Airports ("Implementation Plan"), such as:

- Compliance with all legal, regulatory, and institutional requirements, including all necessary approvals, certifications, and permits;
- Full environmental impact assessments that comply with South African environmental requirements and those of multilateral lending agencies (such as the World Bank and the African Development Bank);
- Financial arrangements;
- Procurements of goods and services;
- Installation and systems integration requirements; and
- Staffing and training requirements.

The Implementation Plan shall include:

- Descriptions of all the steps the Grantee and ACSA will need to take to implement the Recommended Airside Capacity Enhancements at each of the Airports;
- A recommended schedule for implementing the Recommended Airside Capacity Enhancements at each of the Airports, including recommendations for phasing, milestones, and prioritization of investments;
- An assessment of how the implementation of the Recommended Airside Capacity Enhancements will impact the Grantee's and ACSA's operations, as well as air traffic operations at each of the Airports;
- Recommendations for maximizing the anticipated positive impacts and minimizing the anticipated negative impacts of the Recommended Airside Capacity Enhancements;
- Budgetary requirements for each step in the Implementation Plan; and
- Justifications for the investment requirements of the Recommended Airside Capacity Enhancements based on cost-benefit analyses.

Task 8 Deliverables: The Contractor shall provide the Grantee and ACSA with a report of all work performed pursuant to Task 8.

Task 9: Final Report

The Contractor shall prepare and deliver to the Grantee and ACSA a substantive and comprehensive draft final report of all work performed under these Terms of Reference ("Draft Final Report").

After the Grantee and ACSA have had an opportunity to review the Draft Final Report, the Contractor shall conduct a final report meeting at a facility to be provided by the Grantee with the Grantee and ACSA, as well as other relevant South African aviation sector stakeholders (such as the SADOT, SACAA, and SAWS). The Grantee shall identify appropriate personnel to participate in the final report meeting, including Grantee and ACSA officials with expertise in various aspects of airside capacity planning and operations, project financing, regulatory and environmental issues, etc.

During the final report meeting, the Contractor shall: review all work performed under these Terms of Reference; present the findings and recommendations from the Draft Final Report; and gather feedback from the Grantee and ACSA on the Draft Final Report and requests for changes to the Draft Final Report, if any.

For the final report meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Once the Contractor has incorporated the Grantee's comments into the Draft Final Report, the Contractor shall prepare and deliver to the Grantee, ACSA, 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



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] 2012-11001A

Activity Type [To be completed by USTDA]
 Feasibility Study Technical Assistance Other (specify)

Activity Title [To be completed by USTDA] South Africa: Airside Capacity Enhancements

Full Legal Name of U.S. Firm

Business Address (street address only)

Telephone Fax Website

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
 Private Company
 Other (please specify)

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
 No

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
 No

If yes, U.S. Firm shall complete Attachment C for each subcontractor. Attached?
 Yes
 Not applicable

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



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]		2012-11001A	
Activity Title [To be completed by USTDA]		South Africa: Airside Capacity Enhancements	
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?			<input checked="" type="checkbox"/> Yes
Type of Ownership	<input type="checkbox"/>	Publicly Traded Company	
	<input type="checkbox"/>	Private Company	
	<input type="checkbox"/>	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?	<input type="checkbox"/>	Yes	
	<input type="checkbox"/>	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>]	2012-11001A
Activity Title [<i>To be completed by USTDA</i>]	South Africa: Airside Capacity Enhancements
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 type="checkbox"/> Corporation	<input type="checkbox"/> LLC	<input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Other
------------------------------------------	--------------------------------------	------------------------------	--------------------------------------	------------------------------------------	--------------------------------

duly organized, validly existing and in good standing under the laws of: [insert state (if U.S.) or country]

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.

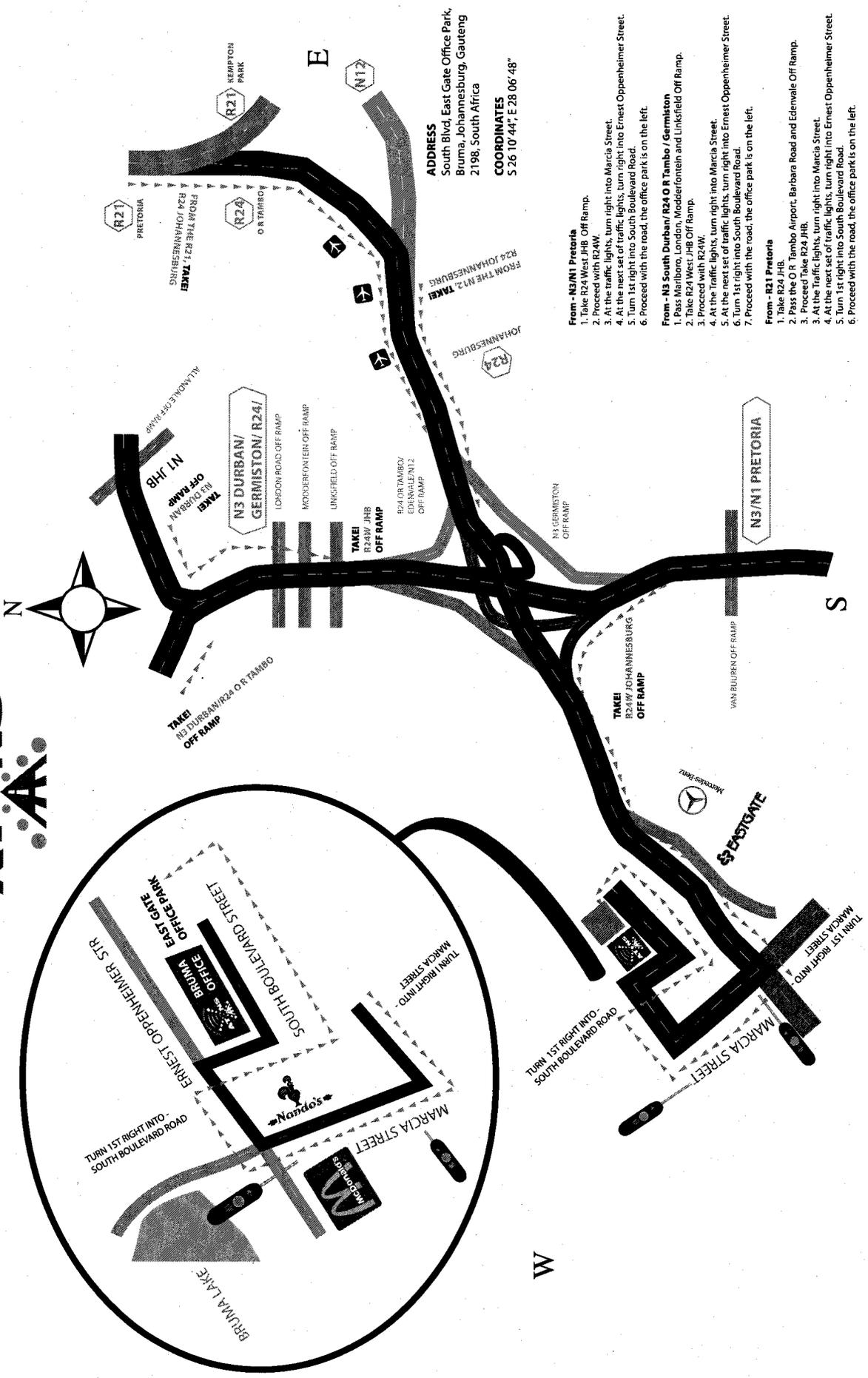
Subcontractor certifies that the information provided in this form is true and correct. Subcontractor understands and agrees that the U.S. Government may rely on the accuracy of this information in processing a request to participate in a USTDA-funded activity. If at any time USTDA has reason to believe 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"/>		
Organization	<input type="text"/>	Date	<input type="text"/>

ANNEX 7



ATNS BRUMA OFFICE MAP



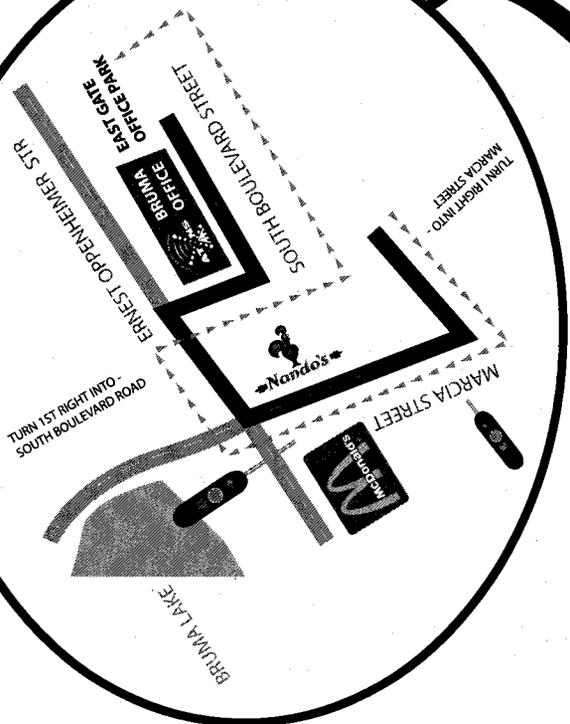
ADDRESS
 South Blvd, East Gate Office Park,
 Bruma, Johannesburg, Gauteng
 2198, South Africa

COORDINATES
 S 26 10' 44", E 28 06' 48"

- From - N3/N1 Pretoria**
1. Take R24 West JHB Off Ramp.
 2. Proceed with R24W.
 3. At the traffic lights, turn right into Marcia Street.
 4. At the next set of traffic lights, turn right into Ernest Oppenheimer Street.
 5. Turn 1st right into South Boulevard Road.
 6. Proceed with the road, the office park is on the left.

- From - N3 South Durban/ R24 O R Tambo / Germiston**
1. Pass Marlboro, London, Modderfontein and Linksfield Off Ramp.
 2. Take R24 West JHB Off Ramp.
 3. Proceed with R24W.
 4. At the Traffic lights, turn right into Marcia Street.
 5. At the next set of traffic lights, turn right into Ernest Oppenheimer Street.
 6. Turn 1st right into South Boulevard Road.
 7. Proceed with the road, the office park is on the left.

- From - R21 Pretoria**
1. Take R24 JHB.
 2. Pass the O R Tambo Airport, Barbara Road and Edenwale Off Ramp.
 3. Proceed Take R24 JHB.
 4. At the Traffic lights, turn right into Marcia Street.
 5. Turn 1st right into South Boulevard Road.
 6. Proceed with the road, the office park is on the left.



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