

REQUEST FOR PROPOSALS

TECHNICAL ASSISTANCE FOR THE

KARACHI-LAHORE RAILWAY ACCESS AND LOCOMOTIVE ACQUISITION

Submission Deadline: **5:00 pm**

LOCAL TIME – KARACHI, PAKISTAN

JULY 20, 2012

Submission Place: Jawaid A. Siddiqui
Head of Strategy and Business Development
Premier Mercantile Services (Pvt.) Ltd.
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Karachi - 74000
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Phone: 0092 21 32400450-3, Ext 820
Fax: 92 21 2414492 2400281

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\$628,000 to Premier Mercantile Services (Pvt.) Ltd. (PMS) (the “Grantee”) in accordance with a grant agreement dated May 15, 2012 (the “Grant Agreement”). The grant provided to PMS will fund Technical Assistance (the “Activity”) on the infrastructure, operational, and business requirements of acquiring and operating a fleet of locomotives on the existing Karachi-Lahore Railway (the “Project”). The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Technical Assistance.

1.1 BACKGROUND SUMMARY

The Grantee is a developer and operator of port and intermodal transportation facilities, and has concessions to operate, through its wholly-owned subsidiaries, a container terminal at the Port of Karachi, a bulk goods terminal at the neighboring Port of Qasim, and an inland container depot near Lahore. The inland container terminal, which is located about 745 miles northeast of Karachi, is an important distribution point for northern Pakistan and Afghanistan. The facilities are connected by rail, owned by Pakistan Railways (PR), the Pakistani government’s state-owned railway company. However, PR is unable to handle the required volume of freight due to a shortage of properly maintained vehicles. To address the problem, PMS has reached an agreement with PR which will allow PMS to operate its own fleet of locomotives on PR’s existing rolling stock and railway infrastructure. Initially, these trains would operate between Karachi and Lahore, but the Grantee is also considering the eventual expansion of the Project northbound from Lahore into Afghanistan.

This Activity will assist the Grantee in its effort to improve the capacity of one of Pakistan’s most important trade corridors, promoting continued economic growth in northern Pakistan and potentially Afghanistan. The Contractor will provide technical assistance to the Grantee in the assessment of future freight volumes and transportation requirements to inform the Grantee’s decisions regarding the procurement of the fleet of locomotives. This technical assistance will involve the development of bidding documents for the Grantee’s use during the procurement process. The Contractor will also provide recommendations on security, and will prepare an operational and business plan for the implementation and efficient operation of the Project, including an assessment of PR’s current communications and signaling infrastructure and procedures.

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

1.2 OBJECTIVE

The Technical Assistance (TA) will entail a detailed assessment of the investment requirements for the movement of container freight from a container terminal in Karachi to the various northern parts of Pakistan and other countries on Pakistan’s northern border such as Afghanistan. It will assess freight movements and determine the needs in terms of trains’ frequencies and capacities. It will also develop an operational and business plan for the

acquisition and operation of a fleet of locomotives on the existing Karachi-Lahore Railway; provide recommendations on security; develop a training needs assessment and plan; examine any environmental issues and social/developmental impacts associated with procuring and operating the locomotives; review the technical specifications for the locomotives and equipment; and prepare tender documents for the Grantee's use during the procurement process.

The TOR for this Technical Assistance are attached as Annex 5.

1.3 PROPOSALS TO BE SUBMITTED

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

The amount for the contract has been established by a USTDA grant of US\$628,000. **The USTDA grant of US\$628,000 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\$628,000 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 Karachi-Lahore Railway Access and Locomotive Acquisition Technical Assistance.

2.2 DEFINITIONS

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

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

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

2.3 DEFINITIONAL MISSION REPORT

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

2.4 EXAMINATION OF DOCUMENTS

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

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

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

2.5 PROJECT FUNDING SOURCE

The Technical Assistance will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$628,000.

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:

Jawaid A. Siddiqui
Head of Strategy and Business Development
Premier Mercantile Services (Pvt.) Ltd.
2nd Floor, Business Plaza
Mumtaz Hasan Road
Karachi - 74000
Pakistan

Phone: 0092 21 32400450-3, Ext 820

Fax: 92 21 2414492 2400281

An Original and eight (8) copies of your proposal must be received at the above address no later than 5:00 pm, on July 20, 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 eight (8) copies should be collectively wrapped and sealed, and clearly labeled, including the contact name and the name of the project.

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

2.15 OFFEROR'S AUTHORIZED NEGOTIATOR

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

2.16 AUTHORIZED SIGNATURE

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

2.17 EFFECTIVE PERIOD OF PROPOSAL

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

2.18 EXCEPTIONS

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

2.19 OFFEROR QUALIFICATIONS

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

2.20 RIGHT TO REJECT PROPOSALS

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

2.21 PRIME CONTRACTOR RESPONSIBILITY

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

2.22 AWARD

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received.

2.23 COMPLETE SERVICES

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

2.24 INVOICING AND PAYMENT

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

Section 3: PROPOSAL FORMAT AND CONTENT

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

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

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$628,000, which is a fixed amount.

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

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- 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 in Annex 6. The Offeror must complete the U.S. Firm Information Form and include the completed U.S. Firm Information Form with its proposal.

3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Technical Assistance. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Technical Assistance.

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

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

3.4 TECHNICAL APPROACH AND WORK PLAN

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

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

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

3.5 EXPERIENCE AND QUALIFICATIONS

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

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

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

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

Section 4: AWARD CRITERIA

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

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

No.	Selection Criteria	Maximum Points
1	General Experience and Qualifications (10 points)	
1.1	Overall experience of the firm	4
1.2	Overseas Experience	2
1.3	Experience in the Central Asia	4
2	Specific Applicable Experience (15 points)	
2.1	Amount of experience in the study and analysis of railway operation projects, multi-modal projects, and transport economics	15
3	Approach and Methodology (35 points)	
3.1	Knowledge of proposed work and understanding of the services to be performed as demonstrated by the specific details of the firm's proposal	15
3.2	Appropriateness of the proposed methodology and work plan	10
4	Qualifications of Proposed Key Personnel (30 points)	
4.1	Qualifications of project leader	15
4.2	Qualifications of other team professionals	15
5	Overall Impression (10 points)	10
Total		100

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

Price will not be a factor in contractor selection.

A N N E X 1

FEDBIZOPPS ANNOUNCEMENT

Proposal Submission Place:

Jawaid A. Siddiqui
Head of Strategy and Business Development
Premier Mercantile Services (Pvt.) Ltd.
2nd Floor, Business Plaza
Mumtaz Hasan Road
Karachi - 74000
Pakistan

Phone: 0092 21 32400450-3, Ext 820

Fax: 92 21 2414492 2400281

Solicitation Number: 2012-31012A

Project Title: Karachi-Lahore Railway Access and Locomotive Acquisition Technical Assistance

POC: Anthony O'Tapi, USTDA
1000 Wilson Boulevard, Suite 1600
Arlington, VA 22209-3901
Tel: (703) 875-4357
Fax: (703) 875-4009

Please do not contact contracts office

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 provide technical assistance in the development of the infrastructure, operational, and business requirements of acquiring and operating a fleet of locomotives on the existing Karachi-Lahore Railway. The Contractor will develop recommendations on anticipated freight volumes, fleet sizing, and financing requirements, as well as tender documents for the procurement of locomotives for Premier Mercantile Services (Pvt.) Ltd. (PMS) (Grantee).

PMS is a developer and operator of port and intermodal transportation facilities, and has concessions to operate, through its wholly-owned subsidiaries, a container terminal at the Port of Karachi, a bulk goods terminal at the neighboring Port of Qasim, and an inland container depot near Lahore. The inland container terminal is an important distribution point for northern Pakistan and Afghanistan. The facilities are connected by rail, owned by Pakistan Railways (PR), the Pakistani government's state-owned railway company. However, PR is unable to handle the required volume of freight due to a shortage of properly maintained vehicles. To address the problem, PMS has reached an agreement with PR which will allow PMS to operate its own fleet of freight trains on PR-owned track, thereby augmenting the capacity of one of Pakistan's most important trade corridors.

The Contractor will provide technical assistance to the Grantee in the assessment of future freight volumes and transportation requirements to inform the Grantee's decisions regarding the procurement of a fleet of locomotives. This technical assistance will involve the

development of bidding documents for the Grantee's use during the procurement process. The Contractor will also provide recommendations on security, and will prepare an operational and business plan for the implementation and efficient operation of the Project, including an assessment of PR's current communications and signaling infrastructure and procedures.

The U.S. firm selected will be paid in U.S. dollars from a \$628,000 grant to PMS 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 5:00 pm on July 20, 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.

A N N E X 2

PORTIONS OF BACKGROUND DEFINITIONAL MISSION REPORT

3.0 RECOMMENDED PROJECTS

3.1 Feasibility Study and Business Plan for the Acquisition and Operation of Container and Bulk Trains from Karachi

The Port of Karachi is Pakistan's largest and busiest seaport. It handles approximately 60% of the nation's cargo (25 million tons per annum). It is located between the Karachi towns of Kiamari and Saddar, close to the main business district and several industrial areas. The geographic position of the port places it in close proximity to major shipping routes such as the Strait of Hormuz. The administration of the port is carried out by the Karachi Port Trust (KPT), which was established in the nineteenth century.

After a successful private sector concession to operate one of its container terminals in 1998, the KPT sought proposals from private sector investors to develop a second modern, fully equipped international standard container terminal at the East Wharf in Karachi Port. Against competitive bidding, Premier Mercantile Services (Pvt.) Ltd. (PMS), a Marine Group Company, was awarded a 21-year Concession to build and operate a dedicated container terminal on Berths 6 through 9 of the Karachi Port on a BOT basis. The key elements of the concession required PMS to (1) Set-up of a Terminal Operating Company to design, finance, construct and operate a dedicated container terminal with a capability of handling up to 450,000 Twenty Foot Equivalent Container Units (TEUs) per annum in phases linked to traffic growth on a BOT basis; (2) Commit to meet the expanding needs for future container traffic growth; and (3) To complete the physical implementation of Phase I by April, 2004.

As a result, the Pakistan International Container Terminal (PICT) was formed as the Terminal Operating Company, and it took over the dedicated container terminals in October, 2002. Since then, PICT has successfully achieved all its contractual obligations and subsequent phases of development as summarized below:

- a) Phase I Handling Capacity of 150,000 TEUs per annum (Completed in 2004),
- b) Phase II Handling Capacity of 300,000 TEUs per annum (Completed in 2006),
- c) Phase III Handling Capacity of 550,000 TEUs per annum (Completed in 2009), and
- d) Phase IV Handling Capacity of 750,000 TEU per annum (under development).

Its throughput capacity has consistently grown over the past few years, exceeding its existing capacity in FY 09/10. It currently maintains a 40% market share of the KPT trade annual volume.

To improve its container handling efficiency at the Port in addition to nationwide distribution, the PICT is currently developing an off-dock terminal at the Northern By-Pass, 25 km from the container terminal. This facility will help provide additional off-dock storage capacity, thus, allow the terminal to handle the increasing demand. The facility has a total area 16.5 Acres with storage facilities for empty containers' storage, customs clearance, and easy access for up country bound cargo.

Given the significant portion of import cargo destined to the northern parts of the country, PICT, through one of its investors, is developing another inland container depot (ICD) at Prem Nagar, Raiwind Road near Lahore, approximately 1,200 kms from Karachi. PMS's concession contract for the Prem Nagar ICD site is for 35 years. This site, which has been recently completed, has a total area of 30 Acres, with direct

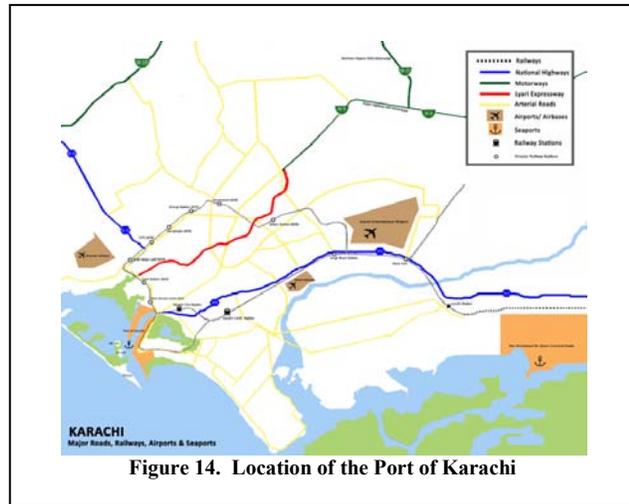


Figure 14. Location of the Port of Karachi

train connectivity from the PICT Terminal in Karachi Port to the Lahore ICD in addition to a facility for delivery to consignees in Lahore for imports discharged at PICT. The site also has the ability to receive containers for export in Lahore for loading to PICT vessels in Karachi. The original intention of this PICT-Lahore Rail Link Project was to have dedicated PICT container trains, provided through an agreement with Pakistan Railways, deployed exclusively for transporting up-country containers.

In the 1970's, in an effort to relieve the congestion at the Port of Karachi, among other things, the GoP established the new port of Muhammad bin Qasim (also known as Port Qasim). Port Qasim is located, adjacent to the Bin Qasim town, in the southern part of Malir district, Karachi division, in Sindh. It is located in an old channel of the Indus River at a distance of 35 kilometers east of Karachi city center. As a result of the deteriorating environmental conditions caused by the existing Coal-Cement-Clinker terminal in the Port of Karachi, the KPT has decided to relocate this terminal, and develop an environmentally safe, dedicated bulk terminal in Port Qasim through a PPP concession. An agreement for this project was recently just signed with PMS (through a newly created entity known as the *Pakistan International Bulk Terminal*), and plans are underway to develop a master plan for the terminal which is expected to be operational in 2013. PMS/PIBT also intends to utilize dedicated trains for the transport of imported coal to the cement factories throughout the country, and to transport the resulting cement for export from the new PIBT at Port Qasim.

The ability to transport containers from the port to Pakistan's off-dock terminals and key other demand centers, and bulk cargo from the ports to the demand centers, in a quick and more cost effective manner compared to current trucking costs, will significantly increase the handling capacity at the port terminals themselves. Quicker transport will avail more space at the ports, thus, allowing for an increased handling capacity. Moreover, rail transport is internationally-recognized as the most cost effective mode of freight transport. It is for this reason that PICT has entered into an agreement with PR to provide dedicated locomotives for the transport of containers from the container terminal to their ICD in Lahore. However, due to PR's current shortage of operational locomotives, it has not been able to fulfill its commitments for this project. As a result, PICT now needs to undertake a detailed feasibility analysis for investing in its own locomotive as well as wagon fleet that will be capable of operating the given rail access rights that they have with PR. Given that rail operation is a new area of business for PICT, they are seeking Technical Assistance to develop a Business Plan for the optimal approach to acquire and operate container trains.

Furthermore, given PICT's strategic experience and familiarity with the key challenges in the bulk transport of goods in Pakistan, they also need to systematically analyze the viability of the utilizing privately-owned locomotives for the transport of bulk cargo, especially coal, clinker, and cement, from and to Port Qasim. The clear goal for the new PIBT project, which is already being developed with IFC financing, is to handle all of its bulk cargos using locomotives, rather than trucks, as soon as it is scheduled to start operations in 2013. Given this timing, now is also an opportune moment for PICT to develop its new railway business plan for the bulk cargo terminal.

3.1.1 Project Rationale and Concept

As a private concessionaire in a competitive market, PICT is continuously seeking ways to improve its container handling efficiency at the Port of Karachi. In addition to investing in new, more efficient on-dock facilities and in state-of-the-art container handling equipment, it has also taken several measures to expand the available space at the port terminal itself through creating alternative storage facilities such as the construction of a nearby off-dock terminal. Given the significant portion of incoming container traffic destined to the northern parts of the country, it has also invested in a new Inland Container Depot (ICD) at Prem Nagar near Lahore. The ability to haul this container traffic to the northern parts of the country in a faster and more cost-effective manner will allow it to increase its on-dock terminal's throughput, thus expanding the entire Karachi Port's container handling capacity.

To make the best use of the new ICD, PICT’s original plan was to utilize railway transport to move containers over this 1,200 kilometer corridor. It, therefore, entered into an agreement with Pakistani Railways transport containers to the new ICD at Prem Nagar. However, Pakistani Railways has been consistently losing freight market share mainly due to its inability to provide and maintain an operational fleet of locomotives. Despite its agreement with PICT, PR has not been able to dedicate container locomotives to serve the new ICD in Lahore. As a result, PICT is willing to investing in its own locomotive and wagon fleet that could transport containers from Karachi to their ICD in Lahore, and possibly to areas further north including the Afghanistan borders where they would be hauled by trucks into Afghanistan. For the new bulk terminal at Port Qasim, Premier Mercantile Services, Ltd. (PICT’s lead investor) plans to commence the new bulk terminal’s activities with the use of trains for the transport of coal from the port to the cement factories primarily located up-country, and finished cement products back to the port for export. This would also require a significant investment in locomotives and wagons.

The purpose of the proposed study is to provide Technical Assistance to PMS as the owner of both the PICT and PIBT concessions, whereby a specialized US firm conducts a detailed assessment of the investment requirements for the movement of container freight through PICT’s Karachi terminal to the various northern parts of the country, and other neighboring countries. The assessment would also entail detailed analysis of the movement and volumes of coal from import points to cement clinkers, and the final products’ movement from clinkers for export purposes. This would include a detailed review and analyses of freight volume histories, growth projections, and detailed origin-destination analysis for the movement of such goods. Once the freight movements (i.e., origins and destinations, volumes, and growth projections) have been established, the needs in terms of trains’ frequencies and capacities would be determined along with a detailed timetable for the implementation and procurement of such fleet. The needs in terms of dedicated system telecommunications and shipment tracking systems, and how PICT/PIBT will be able to monitor and track the security and movement of their trains would also be identified. In addition, a detailed business plan and implementation strategy for the acquisition and operation of both locomotives and wagons will be prepared. Finally, a “Training Needs Assessment” and Training Plan will be developed to fulfill the additional technical skills that PICT/PIBT managers and staff need to acquire to successfully manage such an operation.

Other components of the proposed study would include a detailed review to identify the technical specifications for the needed locomotives and other equipment, a review of the agreement with PR and the requirements in terms of PR providing Train Drivers for operations, any additional rail infrastructure or signaling investments required along the route, a detailed financial feasibility analysis to determine its creditworthiness and ability to attract financing, as well as an economic cost-benefit analysis to demonstrate the full scale of the benefits of this project to the Pakistani economy overall.

3.1.2 Implementation Timeline

The implementation of the proposed Feasibility Study should not exceed seven months as shown in Figure 15 below.

Task	Month					
	1	2	3	4	5	6
Task 1: Project Start-Up and Kick-off	■					
Task 2: O-D and Freight Volume Analysis	■					
Task 3: Future Demand Forecast		■				
Task 4: Competitive Analysis		■				
Task 5: Fleet Sizing Analysis		■	■			

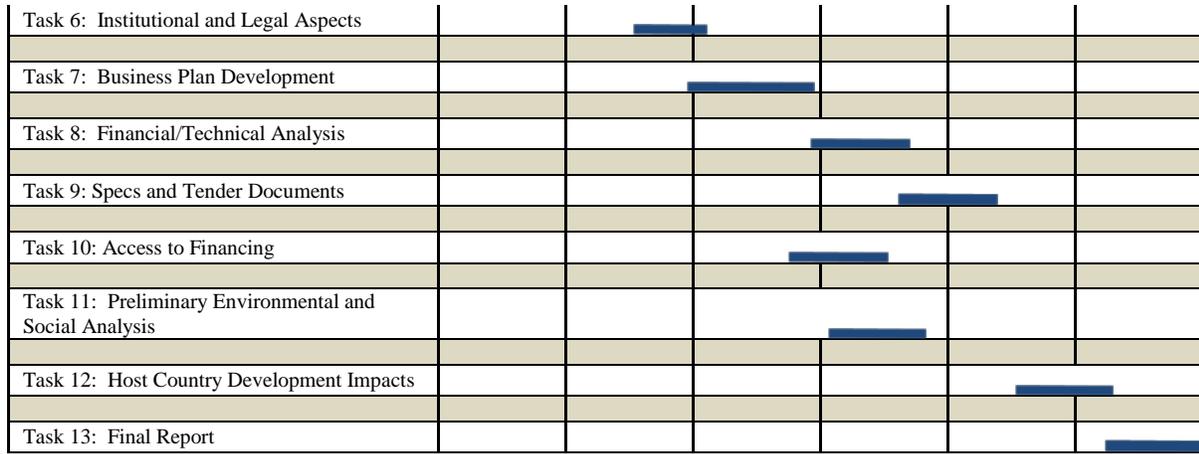


Figure 15. Implementation Timetable for Locomotive Acquisition Feasibility Study

3.1.3 About the Grantee, Their Level of Commitment, and Grantee Contact Info

This project was presented to the DM Contractor by the PICT Management. It is in line with their business plan and is a priority for them. To achieve their goals of implementing their strategies they will cooperate with some of the world's leading companies such as GE and Electro Motive Diesel (EMD), associations and consulting firms who are experienced in locomotives and railway operations.

The head of PICT Business Development is the main contact point for the project; his contact information is below.

Jawaid A. Siddiqui
Head - Strategy and Business Development
PICT
2nd Floor Business Plaza
Mumtaz Hasan Road, Karachi 74000.
Off.: 0092 21 32400450-3, Ext 820
Cell: 0092 300 827 9250
Email: jawaid@mrgc.com.pk

3.1.4 US Export Potential and Foreign Competition

The bulk of the potential US exports as a result of implementing this project is in terms of locomotives. Additional exports can also be expected in terms of signaling and telecommunications equipment, and possibly in terms of wagons. The following is a summary breakdown of how the potential US exports for locomotives was evaluated:

1. The annual throughput for PICT is 150,000 TEU's,
2. Assuming 300 working days per year, this translates into 500 containers per day,
3. The PR operating conditions allow for a 72 wagon train (each wagon is 32 foot long, thus only one container per wagon can be loaded),
4. Therefore, a typical train can carry up to 72 TEU's
5. At the daily demand of 500 TEU's, a total of 7 trains per day would be needed (each train = 1 locomotive),
6. Assuming a three-day turn around time for the 1,200 kilometer distance results in a required fleet size of 21 locomotives,
7. Adding 4 standby locomotives for "down time" results in an overall fleet size of 25 locomotives.

At an average cost of \$3 million per locomotive, the estimated investment cost is \$75 million. While PICT is not likely to initially invest in 25 locomotives, they have indicated that they will invest in phases with each phase involving 5 to 7 locomotives. Therefore, the initial investment can be expected to be around \$15 to 35 million. Again, this only includes locomotives for the container terminal. A similar investment for the bulk terminal will be needed, but this will be verified through the feasibility study.

Companies like GE and EMD are extremely well positioned for being involved in the acquisition of new locomotives. This is because any additional locomotives to be procured would have to meet the PR technical specifications, even if procured by the private sector. Recent procurements by PR have placed technical specification requirements that would only allow manufacturers like GE and to bid. It is, therefore, expected that such companies will be well positioned for a significant share of this procurement once it takes place. The DM Team has met with the GE representative in Lahore who expressed their interest in the opportunity and their willingness to work with the Grantee to facilitate the determination of the required specifications for the proposed project, and possibly the procurement of GE engines.

As a rule of thumb, the most basic signaling and telecommunications system could cost around \$100,000 per kilometer. Assuming that the signaling and telecommunications infrastructure along the alignment is mostly effective and is 90% acceptable, results in an investment need of \$12 million. Presently the following US firms (or firms with a significant US manufacturing base) are identified as providers of traffic control systems and key component technologies:

- General Electric Transportation;
- Ansaldo STS (purchased Union Switch & Signal, a major US communication & signaling firm);
- Wabtec Railway Electronics;
- Invensys (purchased Safetran Systems a major US communication & signaling firm);
- Lockheed Martin Corporation;
- Meteor Communications Corp.;
- Railcomm.

3.1.5 Access to Finance

Implementation financing has not yet been determined. As described in the previous section, the project could cost up to \$75 million. While PICT could finance parts of the cost from its own budget; the larger portion of the financing would have to come from lending and donor institutions, or other private investors.

To ensure that all appropriate financing options are considered, the Terms of Reference states that the Consultant will identify likely sources of financing. Consultant should take special care to fully discuss each option with representatives of various financiers that have already made significant investments of time, effort and capital in the Pakistani port and railway sector. The following summarizes some of the discussions that the DM Team has had with potential financing entities:

- Initial discussions with the IFC indicated their interest in financing such endeavor given its private sector nature, and given that the PICT project was through IFC financing.
- Discussions with OPIC revealed that they are very interested in the Pakistani transport sector as a whole, and in Pakistan as a country. However, they only extend financial assistance to US entities. Given that the Pakistani locomotive specifications will encourage the participation of US manufacturers, the OPIC can be seen as a potential financier through providing certain financing mechanisms to PICT for such purchases.

3.1.6 Impact on the Environment

The project is not expected to have any significant adverse environmental impacts, on the contrary, the project is considered one that is environmentally friendly in the sense that it will reduce reliance on trucks for the movement of containers from Karachi to the northern parts of the country. This will help reduce emissions and reduce accident potential. Furthermore, the Contractor of the Feasibility Study will conduct a preliminary environmental statement, keying on potential impacts of the Project on (a) ecological resources, (b) cultural heritage sites and relics, (c) soil erosion, (d) noise and air quality, (e) potential accidents, and (f) local community disturbances from construction activities. The Contractor will outline appropriate mitigation measures, management procedures and monitoring programs, if any.

As mentioned above, the project is an environmentally friendly one and promotes the concepts of environmental protection in transport.

3.1.7 Impact on U.S. Labor

In regard to concerns on the impacts of U.S. labor, support for the development of a business plan to procure and operate locomotives in Pakistan is not expected to result in the relocation of U.S. jobs overseas. On the contrary, the equipment and services required for the operation of such facilities to be supplied by U.S. manufacturers will generate additional employment in the U.S.

3.1.8 Developmental Impact

The procurement and operation of locomotives would lead to positive developmental impacts in the areas of Physical Infrastructure Development, Technology Transfer/Productivity Improvement and Human Capacity Building. The most direct benefit would be improvements to rail operations from the port of Karachi. In doing so, not only would PICT's productivity increase, but given the importance of the transport sector to overall GDP, productivity should increase across a number of industry sectors which are dependent on efficient transportation of goods. Instituting such a project will help promote the concepts of track access and promote private sector involvement in the sector. In addition, by enabling PICT to increase freight hauling, this would reduce 1) transport costs and time, 2) road traffic congestion, 3) road accidents, and 4) emissions by road vehicles. This would also increase PICT revenues and provide a more secure mode for hauling goods.

3.1.9 Justification

There are four primary reasons why USTDA should fund this project:

- ◆ The ADB is leading a multi tranche financing mechanism focusing on the railway sector in Pakistan. Key components of this program are infrastructure, management, commercialization, operations, and equipment. The proposed project is in line with these objectives and would complement the ADB's. Given the internationally open ADB procurement guidelines, a significant number of opportunities are expected where U.S. companies could compete for.
- ◆ By providing the initial funds for a FS, USTDA will assure that U.S. firms will become involved in the project development process. As firms participate in the process, the likelihood of U.S. exports becomes greater.
- ◆ In the coming 5 years, there is a huge potential for railway and transport projects in Pakistan and Central Asia. Such study creates an opportunity for U.S. providers to enter and strengthen their positions in the Pakistani market.
- ◆ Being a fairly new concept that has not been implemented at all in Pakistan, the implementation and future expansion of this initiative will entail technology transfer and productivity enhancement of Pakistan's transport and railway sector.

A N N E X 3

USTDA NATIONALITY REQUIREMENTS



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

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

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

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

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

NATIONALITY:

1) Rule

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

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

2) Application

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

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

3) Definitions

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

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

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

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

SOURCE AND ORIGIN:

1) Rule

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

2) Application

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

3) Definitions

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

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

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

A N N E X 4

USTDA GRANT AGREEMENT, INCLUDING MANDATORY
CONTRACT CLAUSES

GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and Premier Mercantile Services (Pvt.) Ltd. ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Grant Agreement US\$628,000 ("USTDA Grant") to fund the cost of goods and services required for technical assistance ("TA") on the proposed Karachi-Lahore Railway Access and Locomotive Acquisition ("Project") in Pakistan ("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 TA ("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 TA ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The TA will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the TA 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. Therefore, USTDA, the Grantee, and the Contractor shall not directly or indirectly provide, offer or promise to provide money or anything of value to any public official in violation of any United States or Host Country laws relating to corruption or bribery.

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. Contract Matters and USTDA's Rights as Financier

(A) Grantee 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's Right to Approve Contractor Selection

The Grantee shall notify USTDA at the address of record set forth in Article 16 below upon selection of the Contractor to perform the TA. USTDA then shall notify the Grantee whether or not USTDA approves the Grantee's Contractor selection. Upon USTDA approval of the Grantee's Contractor selection, the Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the TA that they were not selected. The Grantee and the Contractor then shall enter into a contract for performance of the TA.

(C) USTDA's Right to Approve Contract Between Grantee and Contractor

(1) Contract

The Grantee and the Contractor shall enter into a contract for performance of the TA. The Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 16 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract. USTDA then shall notify the Grantee and the Contractor whether or not USTDA approves the contract.

(2) Amendments and Assignments

The Grantee or the Contractor may submit any proposed amendment to the contract, including any proposed amendment to any annex thereto, or any proposed assignment of the contract, to USTDA at the address set forth in Article 16 below. USTDA then shall notify the Grantee and the Contractor whether or not USTDA approves the proposed amendment or assignment.

(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 TA 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 any subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and the contract or any subcontract funded by the Grant Agreement, the Grant Agreement shall control.

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 TA 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. TA Schedule

(A) TA Completion Date

The completion date for the TA, which is May 31, 2013, is the date by which the parties estimate that the TA will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (i) 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 (ii) no USTDA funds may be disbursed more than four (4) years after the Effective Date of the Grant Agreement.

9. USTDA Mandatory Contract Clauses

All contracts funded under this Grant Agreement shall include the USTDA Mandatory Contract 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 Contract 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 this 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 this 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 professional services funded by USTDA under this Grant Agreement:

- (a) the Contractor must be a U.S. firm;
- (b) the Contractor may use U.S. subcontractors without limitation;
- (c) employees of U.S. Contractor or U.S. subcontractor firms shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the United States, except as provided pursuant to subpart (d) below;
- (d) up to twenty percent (20%) of the USTDA Grant amount may be used to pay for services performed by (i) Host Country subcontractors, and/or (ii) Host Country nationals who are employees of the Contractor;

(e) a Host Country subcontractor may only be used for specific services from the Terms of Reference identified in the subcontract;

(f) subcontractors from countries other than the United States or Host Country may not be used;

(g) goods purchased for performance of the TA and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and

(h) goods and services incidental to TA 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 this Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country, except for taxes of a de minimis nature imposed on local lodging, food, transportation, or airport arrivals or departures. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for taxes, tariffs, duties, fees or other levies, except for taxes of a de minimis nature referenced above.

13. USTDA Project Evaluation

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, the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project. Inquiries will include, but not be limited to, whether the Final Report recommendations have been or will be used to implement the Project, anticipated Project implementation timeline, and likely source of financing. In addition, the Grantee agrees to notify USTDA any time the Grantee selects a new primary contact person for this Project during the five-year period referenced above.

14. Recordkeeping and Audit

The Grantee agrees to maintain books, records, and other documents relating to the TA and this Grant Agreement adequate to demonstrate implementation of its responsibilities under this 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 TA and the Grant Agreement.

15. Representation of Parties

For all purposes relevant to this 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 its Head of Strategy and Business Development. The parties hereto may, by written notice, designate additional representatives for all purposes under this Grant Agreement.

16. 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 an electronic medium that produces a tangible record of the transmission, such as a facsimile or e-mail message, and will be deemed duly given or sent when delivered to such party at the following:

To: Jawaid A. Siddiqui
Head of Strategy and Business Development
Premier Mercantile Services (Pvt.) Ltd.
2nd Floor, Business Plaza
Mumtaz Hasan Road
Karachi - 74000
Pakistan

Phone: 0092 21 32400450-3, Ext 820
Fax: 92 21 2414492 2400281
E-Mail: jawaid@mrgc.com.pk

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

Phone: (703) 875-4357
Fax: (703) 875-4009
E-Mail: grantnotices@ustda.gov and
South_Southeast_Asia@ustda.gov

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial or Economic 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.:	1111/121001
Activity No.:	2012-31012A
Reservation No.:	2012 111
Grant No.:	GH201231 111

17. Implementation Letters

To assist the Grantee in the implementation of the TA, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by this Grant Agreement. USTDA may also issue implementation letters to (i) extend the estimated completion date set forth in Article 8(A) above, or (ii) change the fiscal data set forth in Article 16 above. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by this Grant Agreement.

18. Grant Agreement Amendments

Either party may submit to the other party at any time a proposed amendment to the Grant Agreement. A Grant Agreement amendment shall be effective only if it has been signed by both parties.

19. Termination Clause

Either party may terminate this Grant Agreement by giving the other party written notice thereof. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the TA, except for payments that may be made pursuant to Clause I of the USTDA Mandatory Contract Clauses set forth in Annex II to this Grant Agreement. This article and Articles 5, 12, 13, 14, and 21 of the Grant Agreement shall survive termination of the Grant Agreement.

20. Non-waiver of Rights and Remedies

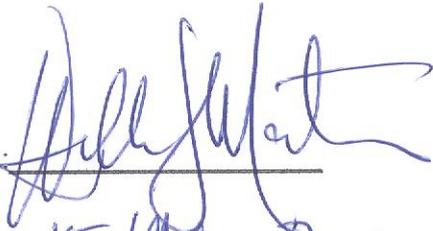
No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

21. U.S. Technology and Equipment

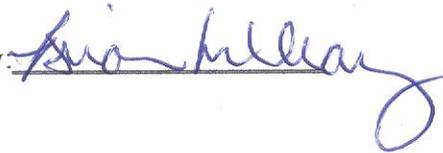
By funding this TA, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for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

IN WITNESS WHEREOF, the Government of the United States of America and Premier Mercantile Services (Pvt.) Ltd., each acting through its duly authorized representative, have caused this Grant 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: 15 May 2012

Witnessed:

By: 

**For Premier Mercantile Services
(Pvt.) Ltd.**

By: 
Date: 15/04/12

Witnessed:

By: 

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

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 Premier Mercantile Services (Pvt.) Ltd. ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the technical assistance ("TA") for the Karachi-Lahore Railway Access and Locomotive Acquisition project ("Project") in Pakistan ("Host Country"). The Client and the Contractor are the parties to this Contract, and they hereinafter are referred to collectively as the "Contract Parties." 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 the Contract or any subcontract thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

This Contract, and any amendment thereto, including any amendment to any annex thereto, and any proposed assignment of this Contract, 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 conforms to modifications required by USTDA during the Contract review process and the Contract has been formally approved by USTDA. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor an English language version of a final negotiated draft Contract or a signed Contract to the attention of the General Counsel's office at USTDA's address listed in Clause N below.

(2) USTDA Not a Party to the Contract

It is understood by the Contract 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 Contract 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 TA and shall not be construed as making USTDA a party to the Contract. The Contract 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 Contract Parties or the parties to any subcontract, jointly or separately; and in consideration of USTDA's role as financier, the Contract Parties further agree that USTDA's rights may be exercised without thereby incurring any responsibility or liability, in contract, tort, or otherwise, to the Contract Parties or the parties to any subcontract. 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 professional services funded by USTDA under the Grant Agreement:

- (a) the Contractor must be a U.S. firm;
- (b) the Contractor may use U.S. subcontractors without limitation;
- (c) employees of U.S. Contractor or U.S. subcontractor firms shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the United States, except as provided pursuant to subpart (d) below;
- (d) up to twenty percent (20%) of the USTDA Grant amount may be used to pay for services performed by (i) Host Country subcontractors, and/or (ii) Host Country nationals who are employees of the Contractor;
- (e) a Host Country subcontractor may only be used for specific services from the Terms of Reference identified in the subcontract;
- (f) subcontractors from countries other than the United States or Host Country may not be used;
- (g) goods purchased for performance of the TA and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and
- (h) goods and services incidental to TA 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 period of performance of work provided for by this Contract, 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 TA. 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, fax number, and e-mail address. 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.

(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 approval by USTDA of a Final Report that has been (i) prepared and submitted in accordance with the requirements set forth in Clause J below, and (ii) approved in writing by the Client in the manner provided for by Clause H(3)(b)(iii) 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 Contract Clauses 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 Contract Clauses 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 Contract Clauses 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 the 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 to the attention of the Finance Department at USTDA's address listed in Clause N below, or by e-mail to invoices@ustda.gov.

I. Termination

(1) Method of Termination

Either Contract Party may terminate this Contract upon giving written notice to the other party and USTDA. This notice shall be effective after either 30 days, or any other period set forth elsewhere in this Contract. Furthermore, this Contract shall terminate immediately upon notification of USTDA's termination of the Grant Agreement or the term of availability of any funds thereunder.

(2) Ramifications of Termination

In the event that this Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for payment for the value of the work performed pursuant to the terms of this Contract. 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 value of the work performed pursuant to the terms of this Contract.

(3) Survivability

Clauses B, D, G, H, I, and O of the USTDA Mandatory Contract Clauses shall survive the termination of this Contract.

J. 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 hard copy 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) hard 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) hard copy of the Public Version of the Final Report to the Commercial or 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, and USTDA's address. 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 address, 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, and e-mail address 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, and e-mail address 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.

(g) The Client, USTDA, and the Commercial and/or Economic Section(s) of the U.S. Embassy in Host Country shall have irrevocable, worldwide, royalty-free, non-exclusive rights to use and distribute the Final Report.

K. Modifications

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

L. TA Schedule

(1) TA Completion Date

The completion date for the TA, which is May 31, 2013, is the date by which the Contract Parties estimate that the TA 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) no USTDA funds may be disbursed more than four (4) years after the Effective Date of the Grant Agreement.

M. Business Practices

The Contract Parties recognize the existence of standards of conduct for public officials and commercial entities in their respective countries. Therefore, the Contract Parties shall fully comply with all United States and Host Country laws relating to corruption or bribery. For example, the Contractor and its subcontractors shall fully comply with the requirements of the Foreign Corrupt Practices Act, as amended (15 U.S.C. §§ 78dd-1 et seq.). Each Contract Party agrees that it shall require that any agent or representative hired to represent it in connection with the TA will comply with this paragraph and all laws which apply to activities and obligations of that Contract Party, including, but not limited to, those laws and obligations referenced above.

N. 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.:	1111/121001
Activity No.:	2012-31012A
Reservation No.:	2012 111
Grant No.:	GH201231 111

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, except for taxes of a de minimis nature imposed on local lodging, food, transportation, or airport arrivals or departures. Neither the Client nor the Contractor will seek reimbursement from USTDA for taxes, tariffs, duties, fees or other levies, except for taxes of a de minimis nature referenced above.

P. Export Licensing

The Contractor and all subcontractors are responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.

Q. Contact Persons

The Client designates the following person as the contact person for matters concerning this Contract:

Name: Jawaid A. Siddiqui
Title: Head of Strategy and Business Development
Phone: 0092 21 32400450-3, Ext 820
Fax: 92 21 2414492 2400281
E-Mail: jawaid@mrgc.com.pk

The Contractor designates the following person as the contact person for matters concerning this Contract:

Name:
Title:
Phone:
Fax:
E-Mail:

If anyone designated by a Contract Party as a contact person ceases service as a contact person at any point during the ten-year period following the date of signing of this Contract, the Contract Party that had designated that contact person shall provide USTDA and the other Contract Party with the name and contact information of a replacement contact person.

R. Liability

This Contract may include a clause that limits the liability of the Contract Parties, provided that such a clause does not (i) disclaim liability for special, incidental, general, or punitive damages, or (ii) limit the total amount of damages recoverable to an amount less than the total amount disbursed to the Contractor pursuant to this Contract.

S. Arbitration

If the Contract Parties submit any dispute arising under this Contract for arbitration, the scope of any such arbitration shall be limited to the Contract Parties' rights and/or obligations under this Contract and may not extend to any right or obligation of USTDA. The arbitrator(s) shall not arbitrate issues directly affecting the rights or obligations of USTDA.

A N N E X 5

TERMS OF REFERENCE (FROM USTDA GRANT AGREEMENT)

PURPOSE AND BACKGROUND

The purpose of this activity is to provide technical assistance (TA) to the Grantee, Premier Mercantile Services (Pvt.) Ltd., entailing a detailed assessment of the investment requirements for the movement of container freight from Pakistan International Container Terminal (PICT, a Grantee affiliate) in Karachi to the various northern parts of Pakistan and other countries on Pakistan's northern border such as Afghanistan. The TA will begin with a detailed assessment of the movement and volume of coal from import points to cement plants, and of the cement from the plants to export points. That assessment will include a detailed review and analysis of freight volume histories, growth projections, and detailed origin-destination analysis for the movement of such goods. Once the freight movements (i.e., origins and destinations, volumes, and growth projections) have been established, the needs in terms of trains' frequencies and capacities will be determined, along with a detailed timetable for the implementation and procurement of the fleet. The needs in terms of dedicated system telecommunications and shipment tracking systems, as well as monitoring and tracking the security and movement of trains, will also be identified. In addition, a detailed business plan and implementation strategy for the acquisition and operation of locomotives and wagons will be prepared. Finally, a training needs assessment and training plan will be developed to fulfill the additional technical skills that the managers and staff of the Grantee and its affiliates will need to acquire to successfully manage such an operation.

The TA will also include detailed reviews of the technical specifications for the locomotives and equipment, agreement(s) with Pakistan Railways (PR), and the requirements for PR to provide train drivers and for any additional rail infrastructure or signaling investments needed along the route.

The Contractor is expected to perform all of the tasks set forth below. The Grantee may present the Project to the private sector or bilateral or international agencies such as the International Finance Corporation (IFC), ADB Private Sector Operations Department, U.S. Export-Import Bank, and local investors and banking institutions for financing. The Final Report must, therefore, include all the information required for appraisal of the Project by such financing agencies. The following describes in detail the specific tasks to be undertaken by the Contractor.

Task 1: Preliminary Review

A kick-off meeting shall take place at Grantee headquarters in Karachi, Pakistan. The Contractor shall meet with the Grantee to discuss the TA objectives. Subsequently, the Contractor will host a series of group and individual meetings with stakeholders and Grantee representatives at which it shall:

- a. Meet with senior Grantee management to discuss the Grantee's overall operating conditions, main problems and challenges, obstacles, and the overall direction of the Grantee's business plans in terms of growth and service expansion, especially as it relates to the ability to move goods from the container terminal to other parts of the country and across borders.

- b. Meet with Grantee operational and marketing/business development staff to identify and collect data and accumulate statistics on detailed twenty-foot equivalent unit (TEU) throughputs from the past five years, container traffic projections, origins of shipments and their final destinations (nationally and internationally) both for imports and exports, current train frequencies, train capacities and movements from the Karachi Port, and various transport statistics that the Grantee currently uses to haul containers and other goods.
- c. Meet with senior Grantee management to discuss the status of the Project and the details of the concession with PR. The Contractor and Grantee shall also discuss the master plan development for the Project and the completion schedule. The Contractor is expected to review the background document(s) related to the concession with PR, especially as it relates to the anticipated volumes of coal/cement, and planned railway infrastructure.
- d. Meet with the Grantee management and senior technical staff to identify the key stakeholders and entities that will be consulted during the TA, obtain additional market and transport data, and schedule meetings with the stakeholders and data providers identified. The Grantee shall assist the Contractor in collecting data and scheduling meetings. The Grantee shall ensure that the Pakistan Railway Schedule is made available to the Contractor. Stakeholders that shall be consulted include:
 - i. Pakistan Railways. The Contractor shall study, identify, and collect, at a minimum, the following from PR:
 1. Study of the existing maintenance facilities of PR and the extent to which the Grantee would be able to make use of them in the event that the Grantee or one of its affiliate companies procures and operates its own locomotives.
 2. Identify possible risks / concerns / threats associated with running a freight train on these tracks.
 3. Collect and study information and plans by PR to improve its infrastructure or any of its current facilities including locomotives, freight wagons, tracks, signaling systems, telecommunication systems, and others in the near future.
 4. Identify ways to ensure coordination between PR and the Grantee in case a track access agreement is finalized between the two entities.
 5. Identify key challenges currently faced by PR especially as they relate to the causes of delay.
 - ii. Federal Bureau of Revenue (Relevant Customs Collectorates)
 - iii. Ministry of Communication
 - iv. Ministry of Commerce
 - v. Chambers of Commerce and Industries representing the potential users of the new service
 - vi. Freight Forwarders Associations
 - vii. Importer and Exporter Associations
 - viii. Logistics services providers
 - ix. Current coal-cement-clinker terminal operators
 - x. Professional associations related to the coal and cement industries

- xi. Select cement plants and clinkers
- xii. Environmental Protection Authority

As a result of this task, the Contractor shall: understand the overall structure of the Grantee and affiliate companies such as Pakistan International Bulk Terminal (PIBT); develop a clear understanding of the key challenges and obstacles related to the movement of container traffic from south to north in Pakistan; understand strategic reasons that triggered the Grantee’s consideration for investing in locomotives to serve its inland container depot (ICD) in Lahore; and understand the Grantee’s desired goals (qualitative and quantitative) to implement this Project. The Contractor shall also understand the general business plan for the bulk terminal construction and operation.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 1.

Task 2: Freight Volume and Traffic Analysis

The proposed Project is intended to transport containers from Karachi to the northern regions (Lahore, surroundings, and neighboring countries), as well as coal from Port Qasim to cement plants throughout the country. However, the Project would also haul empty boxes and containerized goods from the northern regions to the Port of Karachi, and cement intended for export from the various factories to Port Qasim. The Contractor shall conduct detailed base-year freight demand analyses to determine the Project needs in terms of the number of daily trains required, as detailed in Task 4, and the size/planning of the locomotive fleet. To this end, the Contractor shall collect, verify, and analyze the following data:

Grantee Container Traffic	PIBT Coal/Cement Traffic
a) History of the daily number of imported containers arriving in the Grantee’s terminal in Karachi for the last 5 years.	a) History of the daily volume of coal imported through the current terminal in Karachi and the export volumes of cement for the last 5 years.
b) Detailed breakdown of the origins and final destinations of the daily container traffic, above, in order to separate the portions destined to Lahore, surrounding areas, and Afghanistan or other surrounding countries.	b) Detailed breakdown of the origins and final destinations of the daily coal/cement traffic above in order to categorize the main demand (coal) and supply (cement) centers that would be served by the new terminal.
c) Detailed breakdown of the types of containerized goods transported, especially if reefer containers constitute part of the traffic along the TA corridor.	c) Details on the current transportation used for the coal and cement traffic identified in the previous bullet including transport mode, transport time, and final destinations and turnaround times. The Contractor

	shall also gather information related to transport costs, and calculate the estimated costs based on the prevailing tariffs and fuel costs for the years under consideration.
d) Details on the current transportation used for the container traffic identified in the previous bullet including transport mode, transport time, and final destinations and turnaround times. The Contractor shall also gather information related to transport costs, and calculate the estimated costs based on the prevailing tariffs and fuel costs for the years under consideration.	d) Detailed breakdown of the origin and final destination of the daily cement export traffic above, in order to separate the portions originating from different parts of the country for export through Port Qasim.
e) History of the daily number of containers exported through the Grantee's terminal in Karachi for the last 5 years.	e) Data that would be used to estimate the volume of coal/cement traffic that could be transported via rail to/from Port Qasim.
f) Detailed breakdown of the origins and final destinations of the daily export container traffic, above, in order to separate the portions originating from Lahore and its surrounding areas for export through Karachi.	
g) Details on the daily in-bound and out-bound empty containers between Lahore/surrounding areas and Karachi for the last 5 years.	
h) Data that would be used to estimate the volume of container traffic that could be transported via rail from Karachi to Lahore. This shall include, but not be limited to, container traffic volumes from other terminals that could be transported via the locomotives under study.	

Using the above data, the Contractor shall conduct a demand analysis to determine the average number of daily containers that could be transported by rail between Karachi and Lahore, and the annual/daily tonnage of coal and cement that could be transported between the various cement plants throughout the country and Port Qasim. Furthermore, the Contractor shall conduct market research and forecast the additional container traffic that could be attracted and/or diverted to the Grantee's terminal once the Project is implemented. The Contractor shall perform this research and forecasting by meeting with and conducting surveys with importers, exporters, industries, shippers and freight forwarders, and stakeholders in Lahore and surrounding areas. Similar research shall be conducted for coal/cement to identify other potential users for coal (e.g., power plants), and exporters of cement.

The Contractor shall analyze the demand, taking traffic volume variations into consideration, on a weekly basis. The demand analysis shall be conducted for a base year (2011 or 2012) using traffic histories for the past 5 years. The demand analysis shall be agreed upon with the Grantee based on both the trends of the freight demand analysis and the Grantee's plans for acquiring the first few locomotives. This information will be used by the Contractor to design a seasonal locomotive operational plan in Tasks 5 and 7.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 2.

Task 3: Demand Forecast

The Contractor shall conduct a transportation service demand forecasting analysis projecting the base year demand established in Task 2 into a future year to be identified by the Grantee. The Contractor shall develop demand projects for the next 35 years (the length of the concession contract for the Prem Nagar ICD) under at least three different scenarios (e.g., pessimistic, neutral, and optimistic). The Contractor shall provide forecasts for the imports, exports, empties, coal, and cement movements. The Contractor shall also take into consideration special containerized cargo forecasts such as reefers and other perishable goods.

The Contractor shall prepare freight traffic scenarios on the rail corridor from Karachi to Lahore, surrounding areas, and expected/potential traffic to Afghanistan for 2012, 2017 and 2022. The same shall be done for bulk cargoes between Port Qasim and the various supply/demand centers for the years 2011, 2016, and 2021. For each of the scenarios, the Contractor shall describe the conditions and assumptions made, with a clear justification and explanation of how the conditions affect the anticipated volumes of freight and their origins and destinations. The Contractor shall identify and analyze the main transport determinants of the various scenarios.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 3.

Task 4: Business and Competitiveness Analysis

Trucking is the main competitor to railway freight transport in Pakistan. The Contractor shall assess how trucking tariffs will impact the competitiveness of the Project. The Contractor shall conduct an estimate of the direct financial costs of trucking along the Karachi-Lahore corridor and between Port Qasim and various supply/demand centers. The Contractor shall develop estimates limited to high-tonnage vehicles operating long distances. The Contractor shall estimate the financial costs supplemented by an estimate of economic costs, identifying the main difference between financial and economic costs, such as road infrastructure usage costs. The Contractor shall detail the factors that would impact the Project's competitiveness/viability in the short-, medium- and long-term, ways that impediments could be mitigated or minimized, and steps that would make the Project more viable or successful.

The Contractor shall use the results of these analyses to estimate additional attracted and/or diverted traffic that could benefit from the Project. The Contractor shall identify the determinants of competitiveness and the assessment methodology. The Contractor shall present additional potential traffic volume for 2012, 2017 and 2022 for the container terminals, and 2011, 2016, and 2021 for the bulk terminal.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 4.

Task 5: Locomotive and Wagon Fleet Analysis

The Contractor shall recommend the optimal locomotive and wagon fleet size needed for the Project. In recommending a fleet size, the Contractor shall consider, at a minimum:

- Travel distances, prevailing design, running speeds, and turnaround times, split between truck traffic and train traffic.
- Freight that could continue to be transported by PR.
- Detailed breakdown of the travel and turnaround times (including the loading and unloading at the origin and the destination).
- Certification requirements and recommendations for locomotive engines.
- Fuel efficiency and requirements.

Using the expected freight loads developed in Tasks 2 and 3, and the design axle loads of the railway tracks, the Contractor shall determine the minimum required locomotive engine specifications (engine size, horsepower, etc.). In addition to the freight loads, the Contractor shall consider the slopes and grades of the vertical alignments along the study corridor, and the maximum train length allowed by Pakistan Railways (i.e., permissible numbers of wagons per train). This has to be determined in light of the Pakistan Railway Schedule.

The Contractor shall set the key performance indicators for the Project. While the freight volumes and demand analyses above will dictate some of the performance indicators, the Contractor shall consider other key indicators such as train frequency, travel time, turnaround

time, handling time, idle and locomotive down time, and maintenance requirements, among others.

The Contractor shall compare, evaluate, and present different options for the Project. Options shall include:

1. Purchasing locomotives from suppliers and contracting suppliers to provide on-going maintenance.
2. Purchasing locomotives from suppliers but maintaining them internally by the Grantee.
3. Purchasing locomotives from suppliers and contracting a third party to maintain them.

The Contractor shall evaluate each of these options and present a recommended solution to the Grantee. The Contractor shall identify and recommend wagons that are capable of handling the demand for containers between Karachi and Prem Nagar. The Contractor shall ensure that its recommendations allow for greater efficiencies with 70 ton capacities. The Contractor shall aim to recommend wagons that can accommodate axle load limits of 5-7%. The Contractor shall evaluate the viability of procuring wagons and compare this option to leasing the freight wagons from PR on a rental basis and its impact on overall costs.

Task 5.1 - Railway Line Assessment

The Contractor shall meet with PR to develop a comprehensive engineering report on the Karachi-Lahore railway line's characteristics and railway lines connecting Port Qasim to the main coal/cement supply and demand centers.

The Contractor shall closely work with relevant PR staff in the Operations and Infrastructure Divisions to obtain the following information for the study corridor:

- Horizontal alignment with details on horizontal curves and other alignment features
- Vertical alignment including details on slopes and vertical curves
- Design speed and actual prevailing running speeds
- General physical conditions of the railway tracks, the embankments, and the right of way
- The permissible axle load of the line
- The train schedules for both freight and passengers along the corridor that are operated by PR
- The exact locations of sidings, switches, and terminals along the alignment

The above information shall be broken down by section along the entire alignment of the corridor.

The Contractor shall also coordinate with PR to travel along the line in order to confirm the data collected that will be used by the Contractor to develop a Project operational plan. The Contractor shall also assess the PR design standards related to loads and axle capacities of railway lines. The Contractor shall explore whether the existing railway infrastructure allows for the utilization of longer wagons that would permit double stacking of container traffic. The Contractor shall explore the possibilities of improving transport capacity and effectiveness within the permissible characteristics of the railway lines.

Task 5.2 - Fleet Sizing and Development of Operations Plan

Based on the freight scenarios and demand forecasting analysis, the Contractor shall develop scenarios for the Project operating plans (composition and number of trains on each section of the various corridors). The Contractor shall verify compatibility of the operating plans with the line capacity and operating needs. The Contractor shall include diagrams showing trains, scheduling, and operations. The Contractor shall also take into account all operating procedures and policies.

For each operational scenario, the Contractor shall conduct all calculations to determine the required numbers and frequencies of trains to meet the freight demand, taking into account the use of trucks. For each scenario, the Contractor shall show in detail the breakdown between rail and truck cargo movement, the required fleet size, and the travel frequency for each mode. The Contractor shall also include staffing and resource requirements, such as maintenance and repair, required for the Project.

Task 5.3 - Telecommunications and Tracking

As part of the railway line assessment, the Contractor shall assess the conditions of the telecommunications infrastructure in order to identify any additional investments required by the Grantee for the Project. The Contractor shall work closely with PR to determine the optimal set up that is compatible with PR's telecommunications system, and new systems that would allow the Grantee to track cargo and manage Project operations. The Contractor shall assess and recommend improvements to the:

- Status of PR's current signaling system (SS), identifying any strengths and weaknesses. This shall also include a detailed assessment of the system along the entire alignment.
- Details on PR's current communication procedures and practices and how they could be enhanced to improve freight train operations.

Specific to the Project, the Contractor shall:

- Recommend rapid assessment freight container tracking systems for road and rail traffic.
- Recommend container tracking and tracing systems using both GPS and satellite based communication systems.
- Summarize international best practices for container tracking. This shall include case studies and lessons from the regional models for container tracking, the risks associated with container tracking equipment, and mitigation measures.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 5.

Task 6: Legal and Regulatory Review

The Contractor shall review the agreement between the Grantee and PR and identify all amendments needed to allow for Project implementation between Port Qasim and the

identified supply/demand centers. The Contractor shall also examine the legal and institutional framework of the Host Country with respect to Public-Private Partnerships in the rail sector, and assess the viability of Project development as a public-private partnership.

The Contractor shall recommend contractual modifications that must be negotiated and finalized with PR, to allow the Project to be implemented. The Contractor shall:

- Conduct a review of all regulatory issues that may impact the Project's viability.
- Identify barriers to Project operations and recommend remedies and contractual clauses between the Grantee and PR for track access, operations charges, and other requirements such as the provision of Train Drivers to operate the new locomotives.
- Prepare documentation to be utilized for this track access arrangement.
- Identify and evaluate all risks to the Project due to institutional constraints within PR, and recommend solutions.
- Evaluate existing security practices in the sector, identify and evaluate relevant security risks (both quantifiable and qualitative), and recommend solutions.

The Contractor shall conduct a detailed institutional assessment of the Grantee that recommends an organizational structure, staffing, and business plan best suited for the next five years in relation to Project implementation. The Contractor shall determine the most suitable position of the Railway Operations Unit within the two organizations' structures, and identify the needed interlinks with other departments and units. The Contractor shall:

- Develop a detailed description of the staffing needs to effectively operate the Railway Operations Unit in charge of the Project.
- Develop a detailed description of the capacity building and training needs for current staff in order to effectively operate the Unit.
- Identify equipment and other resources' needs and specifications for the Unit.

The Contractor shall evaluate and recommend the best structure for the Grantee's contractual business relationship and payment mechanism with PR. The Contractor shall evaluate and recommend how to introduce locomotives on a PPP basis and use PR rolling stock and tracks by working on "Track Access Charges".

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 6.

Task 7: Implementation and Business Plan

The Contractor shall develop a Strategy and Business Plan for the Project. The Contractor shall recommend how the Project can be financed in phases, listing the phased priorities of the Project implementation. The Contractor shall prepare and compare at least three scenarios, recommending the scenarios that take advantage of financing resources available for the Project.

This Strategy and Business plan shall include the following:

- a. International best practices.
- b. Final objectives of the Grantee for procuring locomotives and implementing a track access agreement with PR.

- c. Access to capital and financing mechanisms.
- d. Implementation Plan for the Project.
- e. Business Plan for the Project including a detailed plan for the first three years addressing the following:
 - i. Optimal locomotive procurement phases based on the freight projections and recommended numbers of locomotives, wagons, and trucks for each phase
 - ii. Using new versus rehabilitated locomotives
 - iii. Human resources and capacity building plan
 - iv. Marketing plan
 - v. Operational and maintenance plan
 - vi. Finance and administration
 - vii. Safety and emergency
 - viii. Security
 - ix. Enterprise continuity and succession plan

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 7.

Task 8: Financial Analysis

The Contractor shall conduct an order of magnitude financial and technical analysis for the Project. The Contractor shall include full costs of all required infrastructure and equipment, construction, utilities, and costs of operations. The Contractor shall also include direct and indirect revenues to be based on the objectives of the Project such as the increased container traffic as a result of the transport efficiency, the value of improved cash flow and financial management, and the value of the added services that could be offered to importers/exporters on a fee basis.

The Contractor shall:

- a. Review and update all implementation and operating costs (including change of wheels and overhauling incurred in running a freight train between Karachi and Lahore and the expected frequency and kinds of other maintenances required) and benefits of the proposed locomotives and their operation. The analysis shall cover both the direct and indirect costs of the entire operation, and shall also include life cycle cost analysis (LCC) that not only estimates capital investment costs for construction and equipment and the regular O&M cost for the project, but also estimates the periodic renewal and replacement costs of medium-term assets and equipment where applicable.
- b. Estimate the economic internal rate of return (EIRR) on the basis of non-incremental and incremental economic benefits and economic costs (including economic capital, operation, and maintenance costs) in constant economic prices.
- c. Study the existing transport tariffs for containers and bulk cargoes along the Karachi-Lahore route. Develop a realistic and competitive fee structure for transport services and necessary equipment accessories (covering operation and maintenance costs, depreciation, debt service in excess of depreciation, taxes, and reasonable profit).

- d. Assess and prepare financial projections for the Project over 20 years of operation including balance sheet, income statement, and cash flow statement in nominal terms. Assumptions made in the financial statements should be explained in detail. Financial projections should take into consideration the likely effects of inflation and the potential for exchange rate fluctuations. This should also take into consideration the reduced efficiency of the locomotive fleet with time assuming a certain lifetime for both the locomotives and the wagons (e.g., 20 years).
- e. Carry out a financial evaluation for the Project over the implementation and operation period by calculating the Financial Internal Rate of Return (FIRR) and comparing it with the weighted average cost of capital (WACC). The FIRR and WACC should be computed using constant 2010 prices. The cost estimates and financial projections in nominal terms should be converted to real terms by removing the projected effects of foreign and domestic inflation and currency fluctuations. Incremental costs and benefits should be derived from evaluating the financial position under a with-project and without-project scenario.
- f. Identify risk factors and test the sensitivity of the Project to them, and propose mitigating measures. Undertake a sensitivity analysis by varying charges, costs, implementation delay, freight volumes, and combinations of these factors. Switching values for these factors, excluding implementation delay, should also be calculated. Review the sensitivity of the financial viability of the project to future exchange rate movements.
- g. Develop a best estimate of potential procurement of U.S. goods and services for Project implementation. This estimate should be supported by a breakdown by category and dollar value of goods and services likely to be imported for the project and an illustrative list of potential U.S. suppliers for those goods and services listed as likely U.S. exports. The Contractor shall include a summary of its discussions with potential U.S. suppliers with interest in providing goods and/or services during Project implementation. Contractor shall identify potential U.S. sources of supply in the Final Report to be submitted to USTDA in accordance with Clause J of Annex II of the Grant Agreement.
- h. Undertake a financial management requirements assessment of the operating entity which should include (a) corporate planning and budgetary control, (b) financial and management accounting, and (c) internal control and audit system. The purpose of the financial management requirements assessment is to determine the capacity building at the system's operating entity that should be considered.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 8.

Task 9: Technical Specifications and Tender Documents

The Contractor shall assist the Grantee in identifying the appropriate procurement procedures to ensure an efficient and transparent process. The Contractor shall prepare all tender documentation needed for the procurement process including all technical specifications. The Contractor shall recommend a bid evaluation structure which shall utilize key expertise from the Grantee's senior managers. The Contractor will not provide procurement advice,

oversight, or conduct the procurement with the Grantee. The procurement and any work associated with the procurement will take place independently of this USTDA-funded effort.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 9.

Task 10: Sources of Financing

The Contractor shall identify likely sources of financing and discuss each option with the Grantee. The Contractor shall meet with representatives of the IFC, the Export-Import Bank of the United States, the World Bank, Asian Development Bank, and other entities that have made significant investments in the Host Country transport sectors. The Contractor shall assess and identify non-traditional sources of financing for the Project such as full customer expense and special purpose funds.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 10.

Task 11: Preliminary Environmental and Social Impact Analysis

The Contractor shall conduct a preliminary environmental assessment, focusing on potential impacts of the Project on (a) water resources, ecological resources, air quality, etc., (b) cultural heritage sites and relics, (c) soil erosion, (d) local community disturbances from construction activities, and (d) possible changes in land use. This preliminary environmental impact assessment will reference local requirements and the requirements of multilateral lending agencies. The Contractor shall detail appropriate mitigation measures, management procedures, and monitoring programs, if any. The Contractor shall describe the findings of the preliminary environmental and social analysis, highlighting environmental and social issues that may require further analysis and mitigation.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 11.

Task 12: Developmental Impact Analysis

The Contractor shall prepare a development impacts analysis to provide the Project's decision-makers and interested parties a broader view of the Project's potential effects on the Host Country. It is believed that the implementation of this Project will be facilitated once the Government of Pakistan and other key local stakeholders understand the magnitude of the estimated economic benefits of the Project for the country. The Grantee shall provide support for this task, including providing access to the necessary data and information. The analysis shall focus on the likely development impacts if the Project is implemented according to the TA recommendations. While specific focus shall be paid to the immediate impact of the Project, analysis shall include any additional developmental benefits that may result from the project's implementation, including spin-off and demonstration effects. The factors to be considered will include the following:

Infrastructure - The Contractor shall analyze the impact that the infrastructure changes will have both on Pakistan and on the locations where the deployment of new locomotives are proposed.

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

Human Capacity Building - The Contractor shall assess the number and type of local positions that would be needed to implement and operate the proposed project, as well as the number of local people who would need to receive training, and shall provide a description of such additional training programs. The consultant shall include an assessment of the multiplier effect on job creation in the transportation, trade, and other sectors.

Technology Transfer and Productivity Enhancement Opportunities - The Contractor shall identify and assess success factors and economic benefits or opportunities as a result of this and other related transfer of technology to Pakistan.

Other - The Contractor shall describe any other developmental impacts or benefits that would result from the project, for example, follow-on or replication projects, safer workplaces, increased good governance, or improved financial revenue flows to the Host Country.

Deliverable: The Contractor shall submit an interim report to the Grantee, containing all documents collected, work performed, and analyses completed under Task 12.

Task 13: Final Report

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

ANNEX 6

U.S. FIRM INFORMATION FORM



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

U.S. Firm Information Form

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

USTDA Activity Number *[To be completed by USTDA]*

Activity Type <i>[To be completed by USTDA]</i>	Feasibility Study	Technical Assistance	Other (specify)
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Activity Title *[To be completed by USTDA]*

Full Legal Name of U.S. Firm

Business Address (street address only)

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

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

Type of Ownership	Publicly Traded Company
	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.	
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Identify any specific information which is needed from the Grantee before commencing negotiations.	
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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 ten-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"/>		
Organization	<input type="text"/>	Date	<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]	
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Activity Title [To be completed by USTDA]	
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Full Legal Name of U.S. Firm	
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Full Legal Name of Shareholder	
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Business Address of Shareholder (street address only)	
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Telephone number		Fax Number	
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Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.	
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Country of Shareholder's Principal Place of Business	
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Please provide a list of directors and principal officers as detailed in Attachment A. Attached?	Yes
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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.	
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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.	
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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 [To be completed by USTDA]	
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Activity Title [To be completed by USTDA]	
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Full Legal Name of Prime Contractor U.S. Firm ("U.S. Firm")	
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Full Legal Name of Subcontractor	
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Business Address of Subcontractor (street address only)	
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Telephone Number	
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Fax Number	
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Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.	
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Subcontractor Point of Contact

Name	Surname	
	Given Name	

Address	
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Telephone	
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Fax	
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Email	
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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
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duly organized, validly existing and in good standing under the laws of: _____ .

The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the U.S. Firm is selected, to execute and deliver a subcontract to the U.S. Firm for the performance of the USTDA Activity and to perform the USTDA Activity. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.

2. Neither the subcontractor nor any of its principal officers have, within the ten-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		Signature	
Title			
Organization		Date	