

**REQUEST FOR PROPOSALS**

**FEASIBILITY STUDY FOR THE**

**SAN ANTONIO – SANTIAGO INTERMODAL CORRIDOR**

**Submission Deadline: 5:00 PM**

**LOCAL TIME (SAN ANTONIO, CHILE)**

**AUGUST 2, 2013**

**Submission Place:** Daniel Ruz Araneda  
Project Manager, Concessions  
Empresa Portuaria San Antonio  
Alan Macowan 0245  
San Antonio  
Region Valparaiso  
Chile

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.

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## SECTION 1: INTRODUCTION

The U.S. Trade and Development Agency (“USTDA”) has provided a grant in the amount of US\$620,000 to *Empresa Portuaria San Antonio* (Port Company of San Antonio or “EPSA”) of Chile (the “Host Country”), in accordance with a grant agreement dated May 22, 2013 (the “Grant Agreement”), to fund a Feasibility Study (“Feasibility Study”) for the San Antonio – Santiago Intermodal Corridor (the “Project”). This Feasibility Study will analyze the technical and financial aspects of implementing the proposed San Antonio-Santiago Intermodal Corridor. The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Feasibility Study.

### 1.1 BACKGROUND SUMMARY

The Chilean government, through EPSA, intends to improve access to global markets by facilitating the movement of cargo in a cost effective manner to stay competitive and allow for continued economic expansion. In order to create an improved method of commercial distribution, EPSA -- along with the various other public and private sector companies utilizing the port facilities -- has identified the need to improve the rail connections between the Port of San Antonio and the Santiago metropolitan area.

The Port of San Antonio has exhibited continuous growth in its cargo throughput, reaching a total of 15.7 million tons in 2011. Containerized cargo has been growing annually at a compounded rate of 8.1 percent, with a total of 928,432 twenty-foot equivalent units (TEUs) in 2011. These growth dynamics are expected to continue due to the advantages of the Port of San Antonio from a logistics and also from an investment perspective when compared to other ports in Chile.

At the request of the Chilean government, EPSA is developing plans for long term investments in the order of \$2.6 billion with the purpose of increasing the Port of San Antonio’s cargo handling capacity four-fold. These investment plans include investing in a breakwater sheltering of two-mile long, 48-foot draft dock capable of servicing several Post-Panamax vessels. Changes of such a scale in throughput capacity will require equivalent developments in its port and inland transportation infrastructure.

The primary objectives of the Project are to increase the capacity of the Port of San Antonio; improve cargo handling operations and productivity; reduce delays and congestion; lessen environmental impacts at the port and for the city; improve asset utilization for port, road and rail transportation service providers; reduce transportation costs to create a more competitive environment for the transportation of containerized cargo; improve access to the Santiago metropolitan area. Other anticipated benefits from the Project include: enhanced competition between rail and road transportation; becoming a more attractive location for value-added activities and industrial development; and increased operating space at the Port of San Antonio for container handling.

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

## 1.2 OBJECTIVE

The objective of this Feasibility Study is to analyze the technical and financial aspects of implementing the proposed San Antonio-Santiago Intermodal Corridor.

The Study would include the development of an implementation plan that identifies short, medium, and long-term milestones for the principal components of the Project that would enable EPSA, in coordination with EFE, COLSA and private operators, to establish priorities, identify project components for investments or acquisitions, and periodically review progress. The Contractor would recommend the port, rail and intermodal infrastructure required for the Project, as well as the specific technologies needed to support implementation and other systems that would assist the Grantee in the safe and efficient operation and management of the Port of San Antonio.

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

## 1.3 PROPOSALS TO BE SUBMITTED

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

The amount for the contract has been established at a **total fixed amount of US\$620,000**. **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 AND GRANTEE

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$620,000 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

## **SECTION 2: INSTRUCTIONS TO OFFERORS**

### **2.1 PROJECT TITLE**

The Project is called the “San Antonio – Santiago Intermodal Corridor.”

### **2.2 DEFINITIONS**

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

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

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

### **2.3 DEFINITIONAL MISSION REPORT**

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

### **2.4 EXAMINATION OF DOCUMENTS**

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

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

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

### **2.5 PROJECT FUNDING SOURCE**

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$620,000.

## **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. Refer to Section 1.4 of this RFP for additional information on the applicability of USTDA's Nationality Requirements.

## **2.12 LANGUAGE OF PROPOSAL**

All proposal documents shall be prepared and submitted in English.

## **2.13 PROPOSAL SUBMISSION REQUIREMENTS**

The Cover Letter in the proposal must be addressed to:

Daniel Ruz Araneda  
Project Manager, Concessions  
Empresa Portuaria San Antonio  
Alan Macowan 0245  
San Antonio  
Region Valparaiso  
Chile

**An original in English and four (4) copies in English of your proposal must be received at the above address no later than 5:00 PM, on August 2, 2013.**

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 in English and four (4) copies in English 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 the Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

## **2.18 EXCEPTIONS**

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

## **2.19 OFFEROR QUALIFICATIONS**

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

## **2.20 RIGHT TO REJECT PROPOSALS**

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

## **2.21 PRIME CONTRACTOR RESPONSIBILITY**

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

## **2.22 AWARD**

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

## **2.23 COMPLETE SERVICES**

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

## **2.24 INVOICING AND PAYMENT**

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

### **SECTION 3: PROPOSAL FORMAT AND CONTENT**

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

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

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$620,000, which is a fixed amount.

Offerors shall submit one (1) original in English and four (4) copies in English 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 Feasibility Study. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Feasibility Study.

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

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

### **3.4 TECHNICAL APPROACH AND WORK PLAN**

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

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

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

### **3.5 EXPERIENCE AND QUALIFICATIONS**

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Feasibility Study. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project.

The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

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

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

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

## **SECTION 4: AWARD CRITERIA**

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

The focus of the development of the feasibility study for the proposed San Antonio-Santiago Intermodal Corridor Project is to analyze the technical, financial, and economic viability for implementing the intermodal corridor in Chile and present recommendations to the project sponsor on the best alternatives for project implementation and development of most appropriate business models for consideration by the project sponsor and the private sector.

Additionally, the feasibility study will identify, quantify, analyze, prioritize, and recommend the equipment and systems that will be required for the full operation of the intermodal facilities with the purpose of improving operational efficiency at the Port of San Antonio and the identification and recommendations of new technologies that would be beneficial to EPSA in promoting a safer, more secured, and efficient port environment in San Antonio. As such, the U.S. Contractor selected for the conduct of the feasibility study shall have personnel with ample experience in the analysis and development of intermodal corridors and intermodal facilities to support port expansion and port operational efficiency. The U.S. Contractor shall have personnel with substantial experience in the application of port and intermodal equipment and the various technology applications for intermodal facility and port Information and Communications Technology (ICT) systems.

Particular experience and full knowledge of all areas of port and intermodal facility operations, development of financial analysis and business models for intermodal corridors and facilities will be a must given that a large portion of the study will focus on determining the viability of the proposed intermodal corridor and the utilization of state-of-the-art technologies to support the Port of San Antonio's expansion and operational capacity.

The following qualifications should be required of the U.S. Contractor to be selected for the conduct the feasibility study:

### **Technical Experience (40 points)**

- The U.S. Contractor shall have substantial and direct experience in all areas of port, intermodal corridor, and intermodal facility development, including experience in the development of feasibility studies for intermodal corridors and associated facilities;
- The U.S. Contractor shall have substantial experience in the development of rail corridors, rail yards, cargo transfer facilities, rail transportation of cargo/containers to and from port facilities, and rail operations associated with intermodal corridors and intermodal facilities;

- The U.S. Contractor shall have substantial experience in working directly with port authorities, private port operators, national railway organizations, rail operators, intermodal facility operators, customs agencies, and with logistic organizations in the development of strategic plans for the enhancement of cargo/container movements and increased capacity of port facilities;
- The U.S. Contractor shall have substantial experience in the analysis and recommendations for the use of port and intermodal equipment including equipment such as Ship-to-Shore Equipment, Gantry Cranes, Rubber Tired Gantry (RTG), Rail Mounted Gantry (RMG), Straddle Carrier, Reach Stacker, Top Lifter, Fork-lift Truck, and other cargo and container handling equipment utilized at port and intermodal facilities;
- The U.S. Contractor shall have substantial experience in the utilization and identification of ICT technologies for port and intermodal facilities that can be integrated to support a significant number of functions and operations at port and intermodal facilities including communications systems, cargo tracking systems, global positioning systems, radio frequency identification systems, optical character recognition systems, intermodal operation systems, storage and inventory systems, intermodal facility administration systems, container terminal management systems, and other related port and intermodal facility ICT technologies;
- The U.S. Contractor shall have substantial experience in port and intermodal facility security systems that can be integrated to support port and intermodal facility security functions including central control centers, mobile command post systems, computer aided dispatch systems, closed circuit television systems, explosives detection systems, cargo screening systems, facility access control systems, perimeter intrusion detection systems, fire fighting, fire detection and alarm systems, customs management systems, automated truck/cargo screening systems and other port and intermodal facility technologies;
- The U.S. Contractor shall have substantial and direct experience and past involvement in studying, defining, and recommending port and intermodal strategic plans, as well as experience in supervising and guiding the implementation of port and intermodal facility projects and intermodal corridor projects. The U.S Contractor shall be knowledgeable in the proper use of technical standards and regulations of the shipping industry as it relates the movement of container cargo;
- The U.S. Contractor shall have experience in the general operations of ports and intermodal corridor/facilities to include the planning, design, and implementation of intermodal corridors.

### **Financial Experience (15 points)**

- The U.S. Contractor shall have direct experience in the areas of conducting economical and financial analysis for the development and implementation of intermodal corridors and intermodal facilities;
- The U.S. Contractor shall have extensive experience in the development of capital investment plans/programs for port, rail, and intermodal corridor projects, to include experience in project financing, business model development, and capital cost estimation;
- The U.S. Contractor shall have experience and prior involvement in identifying eligible financial resources for the implementation of port and rail infrastructure improvement as well as in the implementation of intermodal corridors and construction of intermodal

facilities, including the acquisition and implementation of port, rail, and intermodal facility equipment and ICT related technologies, knowledge of port and intermodal facility financial operations and revenues, experience in identifying new strategies and plans for new port, rail, and intermodal services (that can lead to increased revenues), and overall understanding of port and intermodal facility administration;

**General Port and Intermodal Corridor Infrastructure and Security Experience (15 points)**

- The U.S. Contractor shall have direct experience in the development of port, rail, and intermodal related projects, including port, rail, and intermodal facility terminal improvements, ICT infrastructure development, commercial applications of ICT systems for port and intermodal center operators and users, general knowledge of the services that ports, rail corridors, and intermodal centers provide to their immediate customers and tenants;
- The U.S. Contractor shall have experience in the development of port, rail, and intermodal technology programs as it relates to the utilization of modern security systems specifically for port, rail, and intermodal operations that are effective in mitigating security deficiencies and that comply with international security regulations and standards for the transportation of containerized cargo.

**Port and Intermodal Corridor Developmental Impact Experience (5 points)**

- The U.S. Contractor shall have experience in analyzing and formulating potential developmental impacts as it relates to port expansion initiatives and the implementation of intermodal corridors to support port operational efficiency, capacity, and overall commercial trade, as well as in the identification of benefits that can result from the application of modern port and intermodal equipment and related ICT technologies.
- The U.S. Contractor shall have experience in the development and identification of port, rail, and intermodal facility related benefits including the areas of infrastructure, market oriented reforms, human capacity building, technology transfer for productivity enhancement, and other developmental benefits associated with port, rail corridors, and intermodal development projects, such as spin-off effects and other benefits.

**International Experience (5 points)**

- It is preferred that the U.S. Contractor have experience at the international level, preferably with experience in the port and rail sectors in Chile and/or Latin America.

**Work Plan and Project Methodology (20 points)**

- Adequacy of the proposed work plan and proposed feasibility study approach in responding to the specified Terms of Reference for the study. Soundness and thoroughness of the technical approach and work plan presented in the technical proposal and the overall quality and succinctness of the feasibility study project proposal. The technical proposal shall include the identification of all key staff proposed for the conduct

of the feasibility study with their respective qualifications, availability for the project, and a staffing schedule for each project activity.

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**

Daniel Ruz Araneda, Project Manager, Concessions, Empresa Portuaria San Antoni, Alan Macowan 0245, San Antonio, Region Valparaiso, Chile.

## CHILE: SAN ANTONIO – SANTIAGO INTERMODAL CORRIDOR

POC: Jennifer Van Renterghem, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. SAN ANTONIO – SANTIAGO INTERMODAL CORRIDOR. The Grantee (*Empresa Portuaria San Antonio* or “EPSA”) invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to develop a feasibility study for the implementation of the San Antonio – Santiago Intermodal Corridor.

The Chilean government, through the Grantee, intends to improve access to global markets by facilitating the movement of cargo in a cost effective manner to stay competitive and allow for continued economic expansion. In order to create an improved method of commercial distribution, the Grantee -- along with the various other public and private sector companies utilizing the port facilities -- has identified the need to improve the transportation connections between the Port of San Antonio and the Santiago metropolitan area.

The feasibility study will identify incremental measures and steps that will lead to the development of the Project. The feasibility study will include the development of an infrastructure and implementation plan for the Project so that the Grantee, in coordination with EFE, COLSA, and private operators, can periodically review the strategic directions of the plan, identify appropriate intermodal sub-projects for investment, set priorities, develop high level implementation and acquisition plans, and develop yearly operational sub-projects.

The U.S. firm selected will be paid in U.S. dollars from a \$620,000 grant to the Grantee from the U.S. Trade and Development Agency ("USTDA").

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and portions of a background definitional mission report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901.

To request the RFP in PDF format, please go to:  
<https://www.ustda.gov/businessopps/rfpform.asp>.

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

will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP. The Grantee's cash contributions are not subject to USTDA's nationality provisions.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 5 pm on August 2, 2013 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**

**EXCERPTED BACKGROUND DEFINITIONAL MISSION REPORT**

## **San Antonio – Santiago Intermodal Corridor Project**

Chile's maritime ports represent one of the cornerstones of infrastructure development in the country, and the Chilean government continues to seek substantial improvements to the transportation sector with the goal to develop a robust and dependable integrated and multimodal transportation system for the country with the purpose to strengthen Chile's position as a regional commercial and trade hub. In order to pursue its goals, the Chilean government understands that it must meet the challenges of guaranteeing efficiency and modernization of its port infrastructure to ensure that Chile benefits fully from increased commercial activity.

Maritime ports are crucial to the commercial activity and economic expansion of Chile. EPSA understands that its port infrastructure and operations are fundamental components for boosting Chile's commercial activity and economic growth, and as such, EPSA has embarked on a program to construct and rehabilitate its port operations and infrastructure through public-private partnerships. The Port of San Antonio in the Pacific Ocean has served as Chile's mainstay facility for import and export activities for many years and has exhibited continued growth in its cargo handling, reaching nearly 16 million tons in 2011. EPSA intends to further develop its port modernization plan to double the Port of San Antonio's cargo handling capacity from 2013 through 2020. In order to accommodate the increase in cargo movements through the regions in Chile, EPSA understands that other transportation and communications infrastructure must also be improved parallel to the port expansion.

EPSA (working together with COLSA) has identified the need to improve the transportation and connections between the Port of San Antonio and Santiago's Metropolitan Area in order to create an improved method of commercial distribution for Chile. As such, EPSA has requested financial assistance from USTDA to develop the San Antonio-Santiago Intermodal Corridor Project that would serve as the main logistic corridor between San Antonio and Santiago. This plan would consider the construction of intermodal facilities at the Port of San Antonio as well as in Santiago. In order to develop the plan, EPSA is in need of a feasibility study to analyze the technical and financial aspects of implementing such intermodal facilities at both ends of the San Antonio-Santiago rail corridor.

As part of the feasibility study, investment strategies will be identified with the purpose to finance the construction of infrastructure and the acquisition of modern technologies that could raise the level of port operational efficiencies, capacity, security, and safety as well as intermodal infrastructure. The study will address and review, amongst other issues, the infrastructure, equipment, and systems requirements for the intermodal facilities required for the development of the intermodal corridor project, rail equipment and systems, locomotives and railcars, and intermodal center management systems (hardware and software).

The San Antonio-Santiago Intermodal Corridor Project would aim to make the Port of San Antonio the main maritime gateway into Chile as well as the main corridor for cargo flows to and from the Santiago Metropolitan Area.

The objective of the intermodal corridor and its associated intermodal centers is to create an extended gate to the Port of San Antonio in the form of an intermodal terminal that will help

relieve the City of San Antonio and its port of vehicular congestion, environmental impacts, and delay in port and municipal transportation. Additionally, the San Antonio-Santiago Intermodal Corridor concept seeks to increase the Port of San Antonio's capacity and productivity, reduce delays and congestion, lower environmental impacts at the port and the City of San Antonio, improve asset utilization for port, road, and rail transportation service providers, improve transportation productivity and intermodal capacity, reduce transportation costs to create a more competitive environment for the transportation of containerized cargo, improve access to the Santiago Metropolitan Area, enhance competition between rail and road transportation modes, become a pole of attraction for new value added activities and industrial development, improve land use planning for the City of San Antonio, increase operating space at the Port of San Antonio for container handling, and improve the overall operational efficiencies of the port.

The intermodal centers that would form part of the San Antonio-Santiago Intermodal Corridor are expected to act as an extended gate of the port, where containerized cargo transported by rail can arrive at the facilities. The implementation of the intermodal centers is expected to induce a modal shift of container transportation from truck to rail, where shippers from the Santiago Metropolitan Area could deliver their containerized cargo at the Santiago intermodal center, and the containers can then be transferred by rail to the intermodal center in San Antonio for exporting. In the opposite direction (San Antonio to Santiago) import containerized cargo can be loaded on trains at the port and transferred by rail to the Santiago intermodal center where goods can then be distributed throughout the Santiago Metropolitan Area by short-haul trucking services.

### **Port of San Antonio Logistics Concept**

The idea of container handling and processing through the utilization of intermodal facilities developed as the Port of San Antonio seeks to improve its logistic operations and the need for strengthening the port's logistic capabilities. The logistics application of the proposed San Antonio-Santiago Intermodal Corridor Project is a mixed concept of transportation, handling and storage of containers and vehicles, as well as the processing of relevant documentation, all or part of it which can be conducted at intermodal centers.

The intermodal corridor along with its associated intermodal centers is expected to improve the direct and unobstructed transportation link to the Port of San Antonio terminals, through a dedicated rail line that would operate on existing track of the Alameda (Santiago)-Barrancas (San Antonio) rail line. This railway line will provide access to both intermodal centers (at the Port of San Antonio and in Santiago) and will function as a terminus station at both ends of the intermodal corridor. As the transportation of containerized cargo increases by way of rail service between the two cities, truckload traffic to and from the port is expected to decrease, thus increasing capacity of the roadway system between the two cities as well as at the municipal roads in San Antonio. Additionally, the intermodal corridor project is expected to create more port space for handling and storage of containers and vehicles.

## **Impact of Modal Shift on Regional Infrastructure**

A complete reliance on truck service for the transportation of goods to and from the Port of San Antonio and in and out of the Santiago Metropolitan Area may impact the region's competitiveness due to future increases in fuel costs, congestion, and tax on carbon producing activities. A partial modal shift to rail may prove beneficial for the region in the long-term as it would allow the Port of San Antonio to grow and present greater opportunities for the Chilean economy. With the expected continued growth of the Port of San Antonio, truck transportation to and from the port will most likely experience increased congestion to the point where roadway saturation levels are very possible. Increased truck traffic to and from the Port of San Antonio will, in the absence of additional capacity improvements or transportation demand management remedies, contribute to congestion on the regional transportation network severely impacting access to Santiago Metropolitan Area roads which already suffer from significant congestion.

The continued increased in traffic congestion primarily due to the trucking of goods has several impacts on shipping and transportation businesses that today represent barriers to the growth of the Port of San Antonio and the Santiago Metropolitan Area and affect the economy of the region. Those impacts can be summarized as follows:

- Additional cost for the region's trucking firms and shippers/consignees from increased labor hours spent by truckers delayed in traffic;
- Higher operating costs for the region's commercial and personal vehicles attributable to lower operating speeds leading to a loss of fuel economy and greater wear and tear on vehicles;
- Loss of efficiency in the utilization of commercial vehicles whose inventory is delayed in transit;
- Loss of reliability in the transportation network as the shipper/consignee must alter inventory management strategies and incorporate a greater commitment of resources in non-productive inventory to account for additional time/delay for transportation and to avoid inventory shortages;
- Increased travel time for employees on their journey-to-work. This increased travel time can negatively affect individual productivity by leading to greater workplace tardiness and lost business opportunities; and
- A loss of mobility can affect the perception of the region's attractiveness to residents, tourists and businesses;
- Negative impacts to the quality of life for citizens of the impacted areas;
- Additional maintenance cost for highway and roadway infrastructure;
- Reduction of the region's accessibility for businesses, consumers, and tourism.

## **Purpose of the Feasibility Study for the Intermodal Corridor Project**

The implementation of the San Antonio-Santiago Intermodal Corridor Project is expected to increase the number of transportation options for local shippers and would directly compete with existing truck transportation service that primarily serve the Port of San Antonio, while

complementing the region's economy and transportation network. One of the important aspects of the feasibility study will be the assessment of the physical and operational requirements of the intermodal corridor and associated intermodal centers in San Antonio and Santiago and the availability of sites that could appropriately accommodate those requirements. The study would assess the benefits of the new intermodal corridor and its associated intermodal facilities within the San Antonio and Santiago area of influence, including the expectancy that the proposed corridor could improve transportation travel time, provide a more cost-effective means of shipping, and offer an alternative mode to the transportation of goods in and out of the Port of San Antonio.

As part of the feasibility study, the review will recognize the potential that freight traffic through the Port of San Antonio is anticipated to double in the next seven years and increase four-fold in the next fifteen years requiring the need to expand freight logistics functions beyond the Port of San Antonio's grounds, with the purpose to maintain a well-functioning freight system for the future of the port and its customers.

The proposed feasibility study is needed to assess the potential for the creation of an intermodal corridor between San Antonio and Santiago as well as the construction of two intermodal centers, as a means of supporting the expected growth of the Port of San Antonio and economic development for the cities of San Antonio, Santiago, and ultimately Chile. One of the purposes of the analysis will be to assess the viability of shipping goods along an intermodal corridor involving primarily rail and marine interchanges (and partially supplemented by truck service) extending between the Port of San Antonio and the Santiago Metropolitan Area.

The San Antonio-Santiago rail line already connects Chile's largest commercial area with the Port of San Antonio allowing for the transportation of goods to and from these major destination points. This represents an advantage in terms of infrastructure investments as the rail infrastructure already exists and is reported to be in good condition to support increased frequency of rail service for the transportation of goods to and from the Port of San Antonio.

While EPSA is fully engaged in the development of studies and plans for the construction of additional port infrastructure (such as the new PGE port), EFE is currently involved in examining bottlenecks and solutions to capacity constraints for Chile's national railway system, and private rail operators are eager to diversify and expand rail service under current concessions. There has not been a single entity that has concentrated on the developments of intermodal infrastructure to support port expansion and further promote economic development. When COLSA was created in 2010, its main mission was to concentrate on the development of logistic concepts and infrastructure to support the growth of the Port of San Antonio, its partners, and customers acting as a central coordinating entity.

The concept of constructing an intermodal facility at the Port of San Antonio is something that has been discussed in the past and actually the latest master plan revision for the port cites the need for intermodal facilities to support cargo handling functions and improve port operational efficiencies. However, the port master plan analysis did not involve the detail analysis required

to determine the viability of the intermodal facility concept. Additionally, studies conducted by EFE also consider the potential uses of “Patio Barrancas” as a freight station to facilitate the transportation and transfer of containerized cargo. FEPASA as the primary private rail operator between Santiago and San Antonio currently utilize the rail infrastructure at Patio Barrancas and the company is studying the possibility of increasing its container carrying capacity between San Antonio and Santiago with the potential use of intermodal centers in San Antonio and Santiago.

FEPASA and TRANSAP officials have indicated that their respective companies are very interested in investing in intermodal facilities for the transportation of containers to and from the Port of San Antonio and indicated the need for a study that could identify the viability and operational requirements of such intermodal infrastructures.

While the public and private sectors have considered the intermodal approach to improve the transportation of containers from the port to the capital city, there is no specific study that focuses on the analysis to determine the technical, financial, and economic feasibility of implementing such intermodal corridor in Chile, nor a plan that defines the steps required to carry out the project. While key stakeholders such as EPSA, EFE, COLSA, and private port and rail operators understand and support the intermodal corridor concept, there are a series of questions that require answers and subsequently the development of an implementation plan for the intermodal corridor.

Some of the most obvious questions that remain unanswered include:

- Could intermodal facilities be constructed at the Port of San Antonio and in Santiago?
- Would the intermodal facilities improve port operational efficiency and increase scarce port space?
- Could the port or adjacent port facilities accommodate an intermodal facility?
- Can rail capacity be increased between San Antonio and Santiago to support the intermodal corridor concept?
- Would the construction of the intermodal corridor create significant modal shift (truck to rail) to support the operation of intermodal facilities at both ends of the corridor?
- Would the proposed intermodal corridor and its facilities be operationally and financially feasible?
- Would the proposed intermodal corridor be cost competitive with current methods of container transportation (truck)?
- Would the rates be competitive with rail transportation and still produce profitable levels?
- What are the best business models to support the construction and operation of the intermodal corridor and associated facilities?
- Will there be sufficient cargo and shipments along the proposed intermodal corridor to make it competitive and attractive to local shippers?
- Is there enough of a market to justify either a public or a private investment or a combination thereof?
- Is public/private funding available to support construction and operation of the intermodal facilities?

- Under what scenarios would it be cost-effective to construct the intermodal facilities?

As a result of the need to answer these questions, EPSA, working in partnership with COLSA and EFE, have identified the San Antonio-Santiago Intermodal Corridor Project with the goal of identifying the viability of the project and the development of the San Antonio-Santiago Intermodal Corridor Implementation Plan that would result from the feasibility study.

The study area would encompass the Port of San Antonio and its direct connection with the Santiago Metropolitan Area by rail and highway corridors, each of which provide transportation conduits that link the two cities that together service the main population centers and markets in the region. If the initial analysis from the feasibility study supports the implementation of the proposed intermodal corridor project, then the study would define the physical and operational requirements for the intermodal corridor and associated intermodal centers both at the Port of San Antonio and in Santiago, as well as the required estimated cost to construct and operate the intermodal corridor.

A major component of the feasibility study will be the analysis required to determine the financial viability of the proposed San Antonio-Santiago Intermodal Corridor and its associated intermodal centers. The study will have to determine the investments and costs by area (rail, port, intermodal, and roadway infrastructure) that will be required for the construction and operation of the intermodal corridor, as well as investment costs in equipment and systems necessary to operate the intermodal corridor and intermodal facilities. This component of the feasibility study will identify the various financing mechanisms and models that present the most suitable financing schemes for the implementation of the intermodal corridor and its associated facilities, including but not limited to, public-private-partnerships, private operational concessions and their terms, and other methods of financing the project. Additionally, the study will examine the corresponding freight handling rates, fees, and other charges associated with the operation of the intermodal corridor.

While the intermodal corridor concept is supported by EPSA, COLSA, EFE, and private rail/port operators, there is a minimum amount of freight that must be transported and handled in order for the intermodal corridor to be profitable. In addition to volume, the schedule requirement for deliveries is a factor in whether a rail transportation provider can support shipments through the use of the intermodal corridor and associated facilities. As such, the study must consider and estimate the amount of cargo that is needed to meet costs on an annual basis. In the U.S. short line railroads operating at intermodal centers usually require a minimum of 10,000 lifts per year. Conditions in Chile with labor and other costs are different and the minimum requirements for a profitable intermodal facility may be different, nonetheless the study must examine and present calculations to arrive at these figures, including minimal shipment volumes and schedules for operation along the intermodal corridor.

One of the goals of the study will be to identify if there will be sufficient cargo demand to create a cost-competitive environment (by reducing shipping costs and return greater profits to businesses) for the proposed intermodal corridor concept and to determine if the intermodal

corridor concept generates sufficient interest from the private sector to invest in the construction of the intermodal facilities.

As part of the overall feasibility study, EPSA is requesting a review of those general benefits and general costs associated with the transportation of containers between the Port of San Antonio and Santiago by way of rail, utilizing the proposed intermodal corridor, and by conventional trucking service. The review will include improvements that are required to upgrade the capacity, safety, and efficiency of the rail system (between San Antonio and Santiago) including construction of new physical infrastructure and operational strategies. These improvements should also define potential activities that could support economic development opportunities for the Port of San Antonio's area of influence.

### **Export Potential Assessment**

The U.S. export potential was developed from discussions held with the various Chilean port and rail officials, site visits conducted at the Port of San Antonio facilities, and the review of relevant project documentation.

The U.S. export potential assessment was conducted based on the potential acquisition of intermodal, port, and rail equipment as well as the potential acquisition and implementation of intermodal and port management systems, and engineering and design services as primary U.S. exports. Secondary U.S. export potential were considered as opportunities that may be available through the development of other port projects in San Antonio and potential acquisition of equipment by private port and rail operators resulting from the development of the PGE port project.

After completing the review of the San Antonio-Santiago Intermodal Corridor Project, the U.S. export assessment results indicate that the most likely sources of U.S. exports for Chile would be in the procurement of equipment and systems associated with intermodal center operations, such as heavy duty equipment for container handling, locomotive equipment, and intermodal center systems. In addition, consulting, engineering, and design services could offer good prospects for U.S. exports of these services to Chile. The development of the San Antonio-Santiago Intermodal Corridor Project feasibility study includes the assessment of current conditions, the identification of the equipment and systems that will be required for the intermodal corridor project based on conceptual project design, the prioritization of port, rail, and intermodal technologies, the potential need for integration of the intermodal corridor IT systems under a centralized environment, and the development of the overall San Antonio-Santiago Intermodal Corridor Implementation Plan.

The conduct of the feasibility study has the potential to identify further opportunities for U.S. export potential as the study is expected to make recommendations on specific port, rail, and intermodal center technologies such as RFID, cargo handling systems, freight information systems, security systems, communications systems, and other applications. As the study is completed, U.S. companies would be made aware of the potential needs for equipment and

systems and possibly the recommendations from the feasibility study could lead to the application of modern U.S. technologies in Chile.

### **Foreign Competition Key Elements**

While the U.S. is a major trading partner with Chile, European and Asian countries have also experienced significant trade with Chile. In the transportation sector, U.S. exporters could face strong competition from European and Asian trading partners and others who have established ties with Chile. However, port, rail, and intermodal related equipment made in the U.S. are highly regarded for their reliability, capabilities, and durability.

An assessment of foreign competition was conducted for the proposed intermodal corridor project in Chile, specifically as it pertains to the supply of port, rail, and intermodal technologies. The foreign competition assessment was performed based on information obtained from various meetings and discussions held with Chilean officials and from the review of port equipment during the visit to the Port of San Antonio. There are seven key elements associated with the foreign competition component related to the procurement of port, rail, and intermodal technologies as follows:

- EPSA's procurement methods and tendencies
- Private operator's procurement methods and tendencies (port and rail)
- European and Asian companies' strong presence in the port and rail sector in Chile
- Equipment and systems pricing
- Lack of participation from U.S. companies
- Risk factors
- Market entry issues

### **Market Entry Issues**

Chile has a market-oriented economy concentrated in high level of foreign trade where exports represent approximately one-third of the country's GDP. In 2004 Chile expanded its trade liberalization with the signing of the Free Trade Agreement (FTA) with the United States and the two countries have been trade partners since then. The U.S. is Chile's second-largest export partner and accounted for over 11% of this trade in 2011. The Chilean port system has played a critical role in expanding Chile's trade and the strengthening of the Chilean economy

Competition in the Chilean market for port, rail, and intermodal equipment and systems is sensitive to price and price can sometimes be affected by introductory taxes and fees. Chilean customs tariffs on port, rail, and intermodal equipment can range from 4 to 6%, however, there are a few exemptions on certain goods imported from the U.S. as part of the Chile-U.S. FTA. While price is a decisive buying factor for Chilean government entities, U.S. made products, which generally carry a higher price tag, are also recognized for their quality and therefore could find market acceptance especially for private port and rail operators. This is especially true in the ICT sector where computer systems and software packages require reliable and proven operating systems. U.S. firms in the ICT sector are strong competitors around the world due to the reliability and quality of their systems.

The market for port and rail equipment has been increasing over the last ten years because of the Chilean government's program to modernize and upgrade a number of ports in the country and also due to the fact that several private concession programs have been implemented in Chile and have introduced private sector operators (STI, Puerto Central S.A., Puerto Panul, FEPASA, TRANSP, others), that have consequently invested in the acquisition of port and rail equipment. With the continued plans for growth, both in the port and rail sectors, the need for additional port, rail, and intermodal technologies is expected to increase in future years as the Chilean government pursues further private concession programs to support economic development in the country.

Imports are mainly financed by opening letters of credit through Chilean banks. The Chilean law also requires all foreign companies to register in country in order to do business in Chile or utilize a Chilean commercial agent to submit bids on public sector tenders. Foreign firms are not required to have an agent when dealing with the private sector as sales can normally be handled directly between the foreign firm and private buyers. However, most foreign firms have found it advantageous to engage a local agent who could deal with problems related to communications, bureaucratic procedures, local business practices, cultural issues, and marketing. A foreign company can appoint multiple agents or work with multiple distributors in Chile depending on geographical areas or product basis.

In many cases, large tenders call for the supply of a wide variety of products, all of which a single U.S. firm might not be able to provide. A consortium of U.S. companies, however, can offer a bid package under these circumstances as long as the U.S. companies are registered to do business in Chile or through the use of Chilean agents. This technique has been used successfully by several foreign firms as sometimes Chilean buyers prefer a single supplier for an entire tender, rather than having to piece together bids for each component of a project.

Public sector companies may also request credit financing in their procurement tenders. While suppliers offering credit may certainly have a better chance of winning bids (depends on the bid), sales without credit are often achieved, since other factors such as price, quality, and delivery schedule may be of greater importance.

Public sector companies generally require a performance bond ranging from 8% to 10% of a contract, which is normally released upon completion of the contract. To avoid delays in obtaining release of the performance bond, the contract must be formally amended if the buyer requests any change in delivery terms or specifications.

While a purchasing company may simply accept the lowest bid meeting the specifications, the purchaser might also attempt to negotiate with one or more of the lowest bidders to obtain better terms. Therefore, U.S. firms should be prepared to empower their agents to take measures to increase competitiveness. On major contracts, it is advisable to have the U.S. representatives present for such bargaining and negotiations.

U.S. companies that have been successful in penetrating the Chilean market have done so with the aid of local representation or through licensing agreements with the private sector. The knowledge of local regulatory and business framework in Chile is best left for the local

companies that have experience and can assist U.S. companies in entering the market. Personal contact is considered important when doing business in Chile, with both the private and public sectors and when dealing with government sponsored tenders. Having a local agent is normally recommended due to local complicated bureaucratic regulations and procedures.

Foreign competition is high in Chile, presenting significant challenges to U.S. suppliers of port, rail, and intermodal equipment and systems. However, with the development of the feasibility study for the San Antonio-Santiago Intermodal Corridor Project, a U.S. consulting firm could assist EPSA in identifying the most suitable and appropriate intermodal equipment and related ICT technologies that could be introduced in Chile as part of the San Antonio-Santiago Intermodal Corridor Project and further, introduce Chilean officials to new U.S. equipment and systems that in the short and long-term may lead to future U.S. exports.

The recent visit by Chilean port and rail officials to the U.S. (October 2012) combined with the development of the feasibility study for the San Antonio-Santiago Intermodal Corridor Project, should further enhance the knowledge and familiarization of Chilean officials with U.S. technologies and practices in the port sector, potentially leading to U.S. exports. The proposed feasibility study combined with follow up contacts from U.S. firms (firms that met with Chilean officials in the U.S.) could prove to be a catalyst in opening the door for U.S. companies to export their products into Chile and it very well could be an opportunity for USTDA to assist U.S. suppliers of port, rail, and intermodal equipment, in exposing their products to Chilean officials, possibly paving the way that could lead to future U.S. exports.

### **Primary Developmental Impacts**

The primary developmental benefits expected from the implementation of the proposed intermodal corridor in Chile were assessed with the purpose to identify the most important and measurable benefits to Chile. The developmental impacts associated with the implementation of the San Antonio-Santiago Intermodal Corridor Project were reviewed for the areas of infrastructure, human capacity building, technology transfer and productivity improvements, and the environment.

### **Infrastructure**

The completion of the feasibility study is expected to provide the project sponsor with the necessary business model, financial plan, physical and technical requirements for the development of rail and intermodal infrastructure in Chile. The development of infrastructure will be comprised of an improved rail corridor between the Port of San Antonio and Santiago that should increase rail capacity and freight movements. Additional infrastructure will be created with the construction of two intermodal centers. The intermodal center infrastructure will consist of buildings (administration, storage/warehousing, repair shops, etc), rail infrastructure for access to the intermodal center, road infrastructure for access to the intermodal center, parking and storage areas, and large paved areas for intermodal operations.

The assessment of benefits directly related to infrastructure and modern technology implementation were reviewed for EPSA and the Port of San Antonio and its impact to the rest

of the country. The benefits expected from the implementation of the intermodal infrastructure will mostly consist of cost savings to current and future port users associated with cargo's reduced time spent at the Port of San Antonio, cost savings to EPSA and its private port operators associated with the use of a reliable method of container movements that can lead to effective management and improve operational efficiencies at the port.

Furthermore, additional revenues could be realized from new services to be provided as a result of the intermodal corridor infrastructure, increase rail transportation in the movement of containerized cargo, the reduction of truck traffic on streets and highways, the reduction of travel time and delay for street and highway users, and additional support to the shipping industry and economic development for the Chilean government.

As time reduction and cost savings occur by the more efficient container processing through the implementation of the intermodal corridor, facilities at the Port of San Antonio are expected to accommodate additional cargo movements and contribute to the ability to process more cargo operations, greater safety and security, reduced environmental impacts by reducing truck transportation, fuel savings and increase revenue for the shipping industry as the transfer, inspection, and transportation of containers is conducted under a more efficient and secured environment. The improvements expected to be generated by the new San Antonio-Santiago Intermodal Corridor Project are likely to support the operations for EPSA and private port operators and could translate into healthier business activities for port and rail operators, and consequently the shipping industry in Chile.

The intermodal corridor infrastructure is expected to support other projects being planned by EPSA at the Port of San Antonio to include additional investments at various port facilities through private port operating companies and the construction of the new PGE port infrastructure. These infrastructure improvements are expected to add capacity to the Port of San Antonio. The implementation of new intermodal infrastructure is anticipated to start in 2015 with rail infrastructure improvements and the construction of intermodal centers both in San Antonio and Santiago.

### **Technology Transfer for Productivity Improvement**

Technology transfer opportunities could be realized given that new intermodal technologies could eventually be implemented as part of the San Antonio-Santiago Intermodal Corridor Project. The proposed intermodal corridor project will be the first time that intermodal facilities are implemented in Chile, thus a new concept and new technologies will be applied for the operation of the intermodal centers.

One of the main objectives related to port capacity improvement at the Port of San Antonio is to improve cargo processing functions at areas other than the port, thus transferring time consuming operations to the intermodal facilities and creating more opportunities for better use of limited space at the port site. Improving the processing of cargo at the intermodal facilities will increase accessibility of cargo into port areas which is expected to increase commercial activity at the Port of San Antonio. As such, economic development is anticipated from the implementation of intermodal centers to support the Port of San Antonio which could in turn

induce job creation and further development of port, rail, and intermodal commercial activities, enhanced productivity, increased of trade, and increase cargo mobility, all of which are elements that can be measured before and after the completion of the proposed project.

The development of the intermodal corridor must be supported by reliable and state-of-the-art ICT systems in order to allow for the proper monitoring of activities, administration, operation, and maintenance that can result in successful business decisions for EPSA and the intermodal center operators. The utilization of modern ICT technologies may prove to be an effective and economically efficient way to deal with existing and future operations for the intermodal centers and the Port of San Antonio, and should provide EPSA with the necessary ICT infrastructure needed to further support the San Antonio-Santiago Intermodal Corridor into a regional trade and commercial hub for Chile.

The implementation and integration of intermodal ICT systems could translate into a safer and more efficient use of port facilities at the Port of San Antonio, positively impacting the time spent by containers at the port facilities and making container/cargo processing more efficient and cost effective. A primary developmental impact would be the reduced time spent by shippers, trucks, rail, and vessels on the transportation, transfer, and movement of containers in the form of reduced delay, more efficient processing, better and more accurate cargo and shipping information, and reduced cargo's idle time at the Port of San Antonio, all of which are elements that can be measured before and after the implementation of the proposed project and could lead to increased productivity in the country.

### **Market Oriented Reform**

The port sector is key to Chile's economic growth and the country's integration in the region and with the rest of the world. Through the implementation of state-of-the-art intermodal facilities, the Port of San Antonio could increase its operational efficiency, increase security, and handle more cargo and shipping lines which could support EPSA's goals in making the Port of San Antonio of the premier maritime port in the west coast of South America, thus increasing productivity in the country.

One of the key components to implementing a successful intermodal corridor and the operation of intermodal centers is the ability to allow private sector participation in the financing and operation of such projects. Chilean laws currently allow for the privatization of public services including construction and operation of public work facilities such as ports and other facilities. EPSA has engaged on an impressive concession program that has allowed significant private sector investment in the building of port infrastructure at the Port of San Antonio. Additionally, container cargo flows for imports and exports are already allowed to be transported by both rail and truck. Based on these factors, market oriented reforms are not expected to be required as part of the implementation of the intermodal corridor project in Chile.

### **Human Capacity Building**

The implementation of the intermodal corridor project will represent the first construction of intermodal facilities in Chile and as such, the project is expected to generate new employment

opportunities. Furthermore, the application of modern cargo handling equipment and intermodal facility systems will require that local personnel be trained in order to operate and maintain new intermodal equipment and systems and this is expected to positively impact human capacity building in the country.

The San Antonio-Santiago Intermodal Corridor Project, if implemented, will be Chile's first intermodal corridor in the country, thus providing an opportunity to introduce new technologies and businesses that will require of special training and business practices for those that will ultimately work and operate the intermodal facilities. With the increase in port capacity and efficiency as a result of the development of the proposed intermodal corridor project, EPSA could expect to see an increase in operations that can lead to higher cargo traffic and the shipping industry could be required to increase employment levels in order to process and transport more container cargo.

The number of direct and indirect jobs attributed to the operations at the Port of San Antonio amounts to 3,000 positions (does not include truck drivers outside of the San Antonio area). The amount of jobs to be created by the proposed intermodal corridor project will depend on many factors such as intermodal facility size and services. However, preliminary estimates indicate that the intermodal corridor project is expected to generate approximately 100 new jobs, comprised of 60 jobs associated with the operation of the intermodal centers, 20 jobs in the rail sector, and 20 additional employees in the port sector.

Additional rail revenue is anticipated as rail earnings would result from the increase utilization of rail as an alternative mode of transporting cargo to and from the intermodal centers that in turn, could result in increased business for rail operators.

### **Other Benefits**

Other benefits expected from the implementation of the San Antonio-Santiago Intermodal Corridor Project include lower transportation costs, improved schedule predictability, more efficient cargo flows, use of faster, larger, and more efficient systems for the transportation and processing of cargo, improved highway capacity by lessening the number of trucks, improved port safety and security, potential environmental benefits, and energy savings. Savings resulting from new shipping opportunities are expected as shippers could reduce the use of trucking services in favor of less expensive rail services.

### **Alternatives**

The alternatives to achieve EPSA's objectives to improve port capacity and increase cargo handling and processing functions at the Port of San Antonio were reviewed. EPSA has been adding port capacity through the rehabilitation and improvement of existing port terminals and facilities and the agency is expected to continue adding capacity through the utilization of intermodal facilities and the construction of a large scale port. One of the alternatives is to continue to rely on truck service for the transportation of container cargo in and out of the port,

but this will continue to create negative impacts to the surrounding community as well as negatively impacting highway capacity.

Relying mostly on truck service for container transportation will continue to have a negative impact to the environment as truck emission is the primary contributor to polluting the environment. Rather than continue with the status-quo on servicing the port with truck traffic, EPSA considered the use of rail service for the movement of containerized cargo in and out of the port. Rail utilizes a separate infrastructure for the movement of cargo and rail transportation represents less fuel consumption that creates positive impacts to the environment.

The alternatives to increase port capacity in San Antonio were evaluated in the Port of San Antonio Master Plan which identified a series of measures including the increase in rail transportation and the use of intermodal facilities. To make this a reality, EPSA is in need of developing a feasibility study for the San Antonio-Santiago Intermodal Corridor Project that should provide the agency with the necessary implementation plan and direction for the development of new intermodal infrastructure to support EPSA's goals of expanding the Port of San Antonio and commercial trade in Chile.

### **Summary of Developmental Impacts**

The utilization of the intermodal corridor concept supported by intermodal infrastructure and technologies could act as a mechanism to attract business and investments to provide the San Antonio and Santiago Metropolitan regions with the ability to further build upon the national and international commercial trade, increase port activity, create intermodal corridors and intermodal centers to support economic development, and expand cargo shipments through Chile.

The increase in rail service for the transportation of cargo through the San Antonio-Santiago Intermodal Corridor is expected to strengthen port commercial activity and improve intermodal operations that could support the Chile's competitiveness in the global market. The evaluation of the developmental impacts as it pertains to the areas of infrastructure, market oriented reform, human capacity building, and technology transfer for productivity enhancements indicate positive impacts for the port and rail sectors, as well as for the shipping industry in Chile, further supporting productivity for the country. Additionally, other benefits are expected to be realized from the proposed intermodal corridor project including increased security of transportation operations, lower transportation costs, travel time savings for various users, savings in fuel/energy and operating costs for shippers, port, and rail operators, as well as increased commercial foreign trade expanding to new international markets.

### **Impact on the Environment**

The environment is a significant component of port operations at the Port of San Antonio and one issue that EPSA takes very seriously given the close proximity of the port to the commercial and residential areas of the City of San Antonio. The residents of San Antonio continue to be very vigilant of EPSA's actions and operations at the port in order to minimize negative environmental impacts in the region. As such, EPSA has continued to monitor environmental conditions through its aggressive port expansion and environmental recommendations form an

integral part of the Port of San Antonio's master plan. The implementation of the San Antonio-Santiago Intermodal Corridor Project is expected to have a series of environmental impacts that will be analyzed as part of the proposed feasibility study.

The implementation of the proposed intermodal corridor project is expected to have environmental impacts during the construction and operational phases of the project. During the construction phase, the activities envisioned for the intermodal corridor include the construction of rail infrastructure at or near the Port of San Antonio and at a location in the Santiago Metropolitan Area where rail lines and rail switching systems will be required to access the intermodal centers. During the construction and operational phases of the intermodal corridor, environmental impacts may include clearing of sites, vegetation removal and loss of habitat, noise and vibration from heavy machinery and equipment, dust emission, solid waste, sewage disposal, and air pollution. Other impacts that may or may not be associated with the intermodal corridor project could be the need for relocation of residents and/or commercial establishments.

While there may be a series of environmental impacts associated with the proposed project, one of the most prominent environmental impacts expected from the implementation of the intermodal corridor is the potential shift from truck to rail transportation of cargo which is likely to produce significant reduction in emissions and pollutants to the environment. All of these potential impacts will be reviewed under the development of the proposed feasibility study for the San Antonio-Santiago Intermodal Corridor Project.

### **Impact on US Labor**

Intermodal and rail equipment, as well as intermodal ICT systems that would be required for the proposed San Antonio-Santiago Intermodal Corridor Project are being manufactured and developed in the United States. Other services such as consulting engineering, design services, system design and integration services could be performed by U.S. firms. The amount of intermodal equipment and related systems that are likely required by the intermodal corridor project in Chile is not expected to reach a scale that would warrant or cause U.S. manufacturers to relocate manufacturing operations to Chile. As such, U.S. labor should not be negatively impacted by the proposed implementation of the intermodal corridor project.

### **Project Objectives**

The main objectives of the San Antonio-Santiago Intermodal Corridor Project seek to increase the Port of San Antonio's capacity, cargo handling operations and productivity, reduce delays and congestion, lower environmental impacts at the port and the City of San Antonio, improve asset utilization for port, road, and rail transportation service providers, improve transportation productivity and intermodal capacity, reduce transportation costs to create a more competitive environment for the transportation of containerized cargo, improve access to the Santiago Metropolitan Area, enhance competition between rail and road transportation modes, become a pole of attraction for new value added activities and industrial development, improve land use

planning for the City of San Antonio, increase operating space at the Port of San Antonio for container handling, and improve the overall operational efficiencies of the port.

One of the goals of the intermodal corridor and its associated intermodal centers is to create an extended gate to the Port of San Antonio in the form of intermodal centers that will help relieve the City of San Antonio and the port of vehicular congestion, environmental impacts, and delay in port and municipal transportation. The intermodal centers that would form part of the San Antonio-Santiago Intermodal Corridor are expected to act as an extended gate of the port where containerized cargo transported by rail can arrive and be processed at these facilities. The implementation of the intermodal centers is expected to induce a modal shift of container transportation from truck to rail enticing shippers from the Santiago Metropolitan Area to deliver their containerized cargo at the Santiago intermodal center, where containers are then transferred by rail to the intermodal center in San Antonio. In the opposite direction (San Antonio to Santiago) imported containerized cargo can be loaded on trains at the port and transferred by rail to the Santiago's intermodal center where goods can then be distributed throughout the Santiago Metropolitan Area by short-haul trucking services.

EPSA, with the support from COLSA, wish to jointly analyze the viability for the implementation of the intermodal corridor project, including recommendations on associated technologies, procedures, and infrastructure improvements that can enhance port operational capacity and efficiency. The feasibility study will identify incremental measures and steps that will lead to the specific project development for the San Antonio-Santiago Intermodal Corridor. The feasibility study's objective will be to conduct a technical, financial, and economic analysis with the purpose to determine the viability for implementation of the San Antonio-Santiago Intermodal Corridor Project. The feasibility study will include the development of an infrastructure and implementation plan for the project so that EPSA, in coordination with EFE, COLSA, and private operators, can periodically review the strategic directions of the plan, identify appropriate intermodal projects for investment, set priorities, develop high level implementation and acquisition plans, and develop yearly operational projects.

In order to identify the most suitable implementation plan for the San Antonio-Santiago Intermodal Corridor Project, EPSA wishes to embark upon a feasibility study and planning process aimed at supporting EPSA's current and future port terminal infrastructure investments.

The requirements for the feasibility study are outlined in the Scope of Work section below where EPSA is referred to as "the Grantee" for the feasibility study.

**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 Empresa Portuaria San Antonio ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Grant Agreement US\$620,000 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed San Antonio – Santiago Intermodal Corridor ("Project") in Chile ("Host Country").

### 1. USTDA Funding

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

### 2. Terms of Reference

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

### 3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials and commercial entities in their respective countries. 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](http://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 Study. 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 Study that they were not selected. The Grantee and the Contractor then shall enter into a contract for performance of the Study.

### **(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 Study. 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 Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

**(E) Grant Agreement Controlling**

Regardless of USTDA approval, the rights and obligations of any party to the contract or 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 Study by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

**7. Effective Date**

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

**8. Study Schedule**

**(A) Study Completion Date**

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

**(B) Time Limitation on Disbursement of USTDA Grant Funds**

Except as USTDA may otherwise agree, (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 Study 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 Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions.

USTDA will make available further details concerning these provisions upon request.

## **12. Taxes**

USTDA funds provided under 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 Study 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 Study 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 General Manager. 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: Daniel Ruz Araneda  
Project Manager, Concessions  
Empresa Portuaria San Antonio  
Alan Macowan 0245  
San Antonio  
Region Valparaiso  
Chile

Phone: +56 35 586 154  
Fax: +56 35 586 015  
E-Mail: [druz@epsa.cl](mailto:druz@epsa.cl)

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](mailto:grantnotices@ustda.gov), [lac@ustda.gov](mailto:lac@ustda.gov) and  
[jflewelling@ustda.gov](mailto:jflewelling@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.: 1113/141001

Activity No.: 2013-51017A

Reservation No.: 2013168

Grant No.: GH201351168

#### **17. Implementation Letters**

To assist the Grantee in the implementation of the Study, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by 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 Study, 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 Study, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF, the Government of the United States of America and Empresa Portuaria San Antonio, 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**

**For Empresa Portuaria San Antonio**

By: 

By: 

Date: 5/22/2013

Date: 5/22/2013

Witnessed:

Witnessed:

By: \_\_\_\_\_

By: \_\_\_\_\_

**Annex I -- Terms of Reference**

**Annex II -- USTDA Mandatory Clauses**

## Annex I

### Terms of Reference

#### **Purpose and Background**

The purpose of this feasibility study (“Study”) is to analyze the technical and financial aspects of implementing the proposed San Antonio – Santiago Intermodal Corridor (Project). The Grantee is *Empresa Portuaria San Antonio* (San Antonio Port Company or “EPSA”), a government-owned company responsible for overseeing the development and operation of the Port of San Antonio, a multi-purpose port in central Chile located 67 miles from the capital city of Santiago.

The Chilean government, through the Grantee, intends to improve access to global markets by facilitating the movement of cargo in a cost effective manner to stay competitive and allow for continued economic expansion. In order to create an improved method of commercial distribution, the Grantee -- along with the various other public and private sector companies utilizing the port facilities -- has identified the need to improve the transportation connections between the Port of San Antonio (“Port”) and Santiago’s metropolitan area.

The feasibility study will identify incremental measures and steps that will lead to the development of the Project. The feasibility study will include the development of an infrastructure and implementation plan for the Project so that the Grantee, in coordination with EFE, COLSA, and private operators, can periodically review the strategic directions of the plan, identify appropriate intermodal sub-projects for investment, set priorities, develop high level implementation and acquisition plans, and develop yearly operational sub-projects.

The Contractor shall carry out the feasibility study with the full cooperation of the Grantee. The Grantee shall be responsible for providing key inputs for the Study.

#### **Task 1: Kick-off Meeting and Review of Existing Port and Rail Infrastructure and Associated Systems**

- a) The Contractor shall coordinate all efforts necessary to conduct the kick-off meeting (in Chile) for the Study;
- b) The Contractor shall develop a timeline to be utilized as a guide for the completion of the Study in seven months;
- c) The Contractor shall review previous documentation developed in connection with port and rail development plans, including conceptual port and rail plans, cargo forecast for the next ten years, technology and system needs, and other relevant documentation. The Grantee and EFE have completed a substantial amount of studies in connection with port and rail development and as such, there is a significant amount of data and background information to support the feasibility study;

- d) The Contractor shall review the existing physical conditions at the Port of San Antonio and those areas proposed for the implementation of an intermodal center. The Contractor shall meet with the Grantee and private port operators to review existing port equipment and systems (including ICT technologies), with the purpose of identifying recommendations for port technology upgrades and/or new technologies for the Grantee and its operators;
- e) The Contractor shall review the physical characteristics of the alternative locations (a maximum of three locations to be considered) proposed for the Santiago intermodal center. The proposed site locations will be provided by the Grantee;
- f) The Contractor shall review the San Antonio-Santiago rail corridor, including rail infrastructure, rail operations, current and forecasted rail traffic, types and frequency of service, existing commodities handled by rail to and from the Port, the primary industries currently being serviced by rail, rolling stock and rail technologies, and current concessions associated with the corridor and recommend improvements needed to support the proposed intermodal corridor;
- g) The Contractor shall review the latest Port of San Antonio master plan, EFE's national railways plan and EFE's study on the potential uses for the "Patio Barrancas" rail yard;
- h) The Contractor shall review existing and forecast data (to be provided by the Grantee) regarding the transportation of containers handled by trucks to and from the Port;
- i) The Contractor shall meet with representatives from EFE, FEPASA, TRANSAP, and other rail stakeholders to discuss the proposed Project with the purpose of determining the level of interest and potential future participation from rail operators in the proposed Project;
- j) The Contractor shall hold periodic meetings (at least once a month for seven months) with the Grantee in order to discuss the proposals regarding methodological adjustments and the validity of the information gathered.

**Task 2: Assess Physical and Operational Feasibility of the Intermodal Corridor Project**

- a) The Contractor shall assess the feasibility of establishing new intermodal centers in San Antonio and Santiago with the purpose of supporting the movement of containers between the two cities and supporting the Port of San Antonio's future container cargo demand;
- b) The Contractor shall conduct an assessment of the physical and operational requirements for new intermodal centers, both in San Antonio and in Santiago, including:
  - Transportation connections with immediate access to freight modes, presence and/or access to rail, and highway access;
  - Proximity to population centers and ability to service the San Antonio/Santiago regions;
  - Compatibility with intermodal facility development, ability to develop the site, size, area, and shape of the site, and ability to construct rail access;

- Capital and operating cost to construct and operate the facilities and resulting rates;
  - Other general site, infrastructure, and operational requirements;
  - Existing rail and highway projects that could affect or impose conditions upon the intermodal center location and/or operation;
- c) The Contractor shall analyze and identify the benefits of the intermodal corridor in supporting the handling capacity of the Port of San Antonio, improving shipment travel times and providing a more cost effective means of shipping containers;
  - d) The Contractor shall define the intermodal services and facilities including type of direct transfer of freight between modes (ship, barge, rail, and truck) for the intermodal centers;
  - e) The Contractor shall examine information (to be provided by the Grantee) such as commodity flows, truck volume data, rail volume data, shipping information, and primary data on regional shipping in assessing the viability of the intermodal corridor;
  - f) The Contractor shall review the level of rail utilization for the San Antonio – Santiago rail line, in terms of tons of rail freight and TEUs being transported, frequency of train service, train operational speeds, weight restrictions, the extent of the rail network, link capacities, travel times and transfer times, and operational constraints;
  - g) The Contractor shall examine issues associated with the need for the creation of the intermodal corridor and intermodal facilities. In so doing, Contractor shall determine what existing port facilities or operations the Project will relieve, what markets it will serve, what other ports and regions it will connect with, and what site-specific advantages the proposed locations may present;
  - h) The Contractor shall examine the broad spectrum of different models of intermodal facilities and concepts that may apply to the proposed San Antonio – Santiago Intermodal Corridor, including intermodal networks and corridors, satellite marine terminals, multimodal logistic terminals, rail intermodal terminals, and trade processing centers;
  - i) The Contractor shall examine the port-to-center distance, the percentage of import and export TEUs arriving to and departing from the Port, and the largest generators of exports and imports that would utilize the intermodal corridor and its facilities;
  - j) The Contractor shall visit, examine, and analyze up to three existing private container yards in the Santiago Metropolitan Area (SAAM, Sitrans, and one other to be specified by the Grantee if it deems it necessary), including their rail access and eventual connection with the proposed intermodal center;
  - k) The Contractor shall review the number of carloads generated at the Port and potential interactions with the proposed intermodal centers to define capacity and characteristics for the intermodal corridor and intermodal centers;
  - l) The Contractor shall conduct a technical analysis of the existing port and rail equipment and systems that could be utilized to support the Project and the Contractor shall review the intermodal equipment and systems that will be

required for the operation of the intermodal corridor and associated intermodal centers;

*Deliverable No. 1:* Contractor shall submit an interim report covering all major work products described in Tasks 1 and 2. Grantee shall review this report and promptly provide comments to the Contractor so that the Contractor can provide clarifications or modify the contents of the report accordingly.

### **Task 3: Review Institutional, Legal, and Regulatory Issues**

- a) The Contractor shall review institutional, legal, and regulatory issues pertaining to the intermodal corridor development in Chile and determine if there are any significant issues that could become barriers for implementation and operation of the Project;
- b) The Contractor shall conduct interviews with key stakeholders for information needed to identify existing challenges as well as the processes by which potential implementation obstacles can be resolved;
- c) The Contractor shall review any regulatory issues pertaining to the development of the intermodal corridor, freight transportation, maritime and rail regulations in Chile, and other regulations pertaining to the movement of freight within Chile;
- d) The Contractor shall review local, provincial, and national laws that may have an impact on the development of the intermodal corridor, including applicable standards and regulations from Chilean government institutions;
- e) The Contractor shall assess the organizational structure that may be required in order to successfully implement the Project. The Contractor shall examine the concept of having a single organization that could be utilized to champion and implement the intermodal corridor along with the appropriate partnerships from government and private sector investors, utilizing the Alameda Corridor in Los Angeles County, California, as a potential point of reference;
- f) The Contractor shall consider other alternatives including special intermodal commissions with representation from the Grantee, EFE, COLSA, private operators and investors, shippers, and others that could provide continuity and enable a long-term perspective that would be needed to advance the implementation of the Project.

### **Task 4: Preliminary Assessment of Environmental Impacts and Benefits**

- a) The Contractor shall analyze any environmental benefits and potential negative environmental impacts that may result from the implementation of the Project;
- b) The Contractor shall identify the necessary environmental approvals required for the implementation of the Project;
- c) The Contractor shall identify the environmental benefits that may result from the expected modal shift from truck to rail transportation of container cargo as a result of the implementation of the Project;

### **Task 5: Development of Intermodal Corridor Operational and Physical Requirements**

- a) The Contractor shall develop the conceptual design for the Project, including the proposed intermodal centers and technologies;
- b) The Contractor shall define the operational and physical requirements for the intermodal corridor and associated intermodal centers and technologies;
- c) The Contractor shall develop two operational scenarios for demand of container transportation to and from the Port; one will be a conservative scenario of 300,000 TEUs/year and the second one will be an optimistic scenario of 500,000 TEUs/year. For each scenario, the Contractor shall develop the physical and operational requirements along with the most suitable business models;
- d) The Contractor shall define personnel needs for operation and maintenance requirements for the recommended intermodal corridor and its centers;
- e) The Contractor shall identify other intermodal center equipment and system requirements that may be necessary for the successful operation of the recommended intermodal centers;
- f) The Contractor shall suggest (for each operational scenario) port terminal systems, rail equipment and systems (including type of locomotive, freight cars, and freight transfer equipment), and intermodal equipment and systems for the intermodal corridor and associated centers;
- g) The Contractor shall define the concepts for the rail infrastructure and rail system improvements (tracks, bridges, clearances, rail sections, fastening, ballast, lay outs, pavements, switches, and other related components) needed to upgrade the rail corridor between San Antonio and Santiago with the purpose of supporting the implementation of the Project;
- h) The Contractor shall develop a comprehensive list of U.S. manufacturers and suppliers for the port, rail, and intermodal equipment and systems that are ultimately recommended for implementation. This list shall include a description for each manufacturer/supplier and contact information;
- i) The Contractor shall identify any constructability or implementation issues related to the proposed intermodal corridor and its intermodal centers. If applicable, the Contractor shall make recommendations for overcoming these issues as necessary.

*Deliverable No. 2:* Contractor shall submit a second interim report covering all major work products from Task 3, 4, and 5. Grantee shall review this report and promptly provide comments to the Contractor so that the Contractor can provide clarifications or modify the contents of the report accordingly.

### **Task 6: Economic/Financial Analysis and Estimate of Investments and Operational Costs**

- a) The Contractor shall review economic conditions within the study area of San Antonio and Santiago as it relates to the implementation of the Project;

- b) The Contractor shall review and identify other potential shippers that would use and benefit from the implementation of the Project;
- c) The Contractor shall review and identify the economic impacts of improved rail and intermodal service between San Antonio and Santiago including transportation savings, new rail and intermodal revenues, new employment, as well as the related benefits and costs for improving rail and intermodal service between the two cities;
- d) The Contractor shall prepare the required investment estimates in an itemized budget format that allows for the assignment of the various investment costs to the different entities (Grantee, EFE, and private operators) for execution of the Project;
- e) The Contractor shall develop capital cost estimates for the Project, including rail system upgrades and establishment of intermodal centers, port and rail infrastructure improvements, site preparations, operational and maintenance costs for the intermodal centers and rail operations, and technological and equipment costs;
- f) The Contractor shall conduct a review of the financing alternatives that could be considered by the Grantee, EFE, and the port and rail operators for the implementation of the Project. The Contractor shall review existing transportation freight rates between trucks and rail between the Port and Santiago;
- g) The Contractor shall evaluate alternative revenue sources that can be generated for the implementation of the Project. The Contractor shall examine the Grantee's and EFE's annual capital improvement/investment plans and determine the sources of funding expected to be used to support the Project;
- h) The Contractor shall investigate sources of funding from potential financial and government institutions (Ex-Im Bank, IFC, IDB, World Bank, and local financial institutions), including bilateral and multilateral financial lending institutions, public-private partnership arrangements, and private and commercial sources for the financing of the intermodal corridor project and required technologies;
- i) The Contractor shall develop the most appropriate business model for the implementation and operation of the intermodal corridor project. The recommended business model and cost estimates will provide the Grantee and other stakeholders with an estimate of start-up and annual costs, as well as the minimum container volumes required to make the intermodal corridor viable;
- j) The business model shall be developed by the Contractor to evaluate costs for intermodal facilities with varying sizes, equipment configurations, equipment types, and traffic levels that provides a range of potential investment levels for the Grantee and the private sector;
- k) The Contractor shall conduct a financial analysis relative to the amount of shipments required to support the implementation of the intermodal corridor and intermodal centers to include the consideration (at a minimum) of the following factors:
  - Minimum amount of freight movements required to financially support (profitable) the intermodal corridor and associated intermodal centers;
  - Amount of volume and schedule requirements for deliveries;
  - Minimum number of freight transfers (lifts/year);

- l) The Contractor shall produce a financial analysis that includes the review of a potential fee structure (rates) that could be used to make the Project commercially attractive for private developers and will include the review of Internal Rate of Return (IRR), transportation fees per TEU, per rail car, handling fees per container and car, intermodal center storage fees, and other pertinent fees and rates. The Contractor shall consider in its analysis the private concession programs already in place that involve the Grantee and EFE;
- m) The Contractor, following consultations with FEPASA and TRANSAP, shall conduct an analysis of the general benefits, costs, and rates comparing the truck alternative with the rail alternative, assuming completion of the Project. This will involve a comparative analysis that will estimate the competitive levels of the intermodal corridor versus the truck alternative and define which alternative provides the greatest benefits in the most cost-effective manner for container transportation between San Antonio and Santiago;
- n) The financial analysis shall include a detailed assessment of the financial viability of the Project;
- o) Based on the results from the financial analysis, the Contractor shall formulate a financial plan that is most suitable for the implementation of the Project, including the acquisition of equipment and systems.

*Deliverable No. 3:* Contractor shall submit a second interim report covering all major work products from Task 6. Grantee shall review this report and promptly provide comments to the Contractor so that the Contractor can provide clarifications or modify the contents of the report accordingly.

### **Task 7: Development Impact Assessment**

The Contractor shall analyze the developmental and social impacts of the intermodal corridor project and the analysis shall include an assessment of each of the following categories:

- a) Infrastructure – The Contractor shall describe to what degree the implementation of the intermodal corridor will supplement existing port and rail infrastructure in Chile;
- b) Market-Oriented Reforms – The Contractor shall provide a description of any regulation, laws, or institutional changes that would be required and the effect these would have assuming Project implementation;
- c) Human Capacity Building – The Contractor shall assess the number and type of local positions that would most likely be required for the implementation, operation, and maintenance of the Project. It shall be the responsibility of the Contractor to specifically identify in a quantitative measure, the amount of new jobs that may be created as part of the implementation of the intermodal corridor project, as well as the required specialized training. The Contractor shall assess the extent to which the Project is anticipated to promote job growth, industry attraction, and business expansion;
- d) Technology Transfer and Productivity Enhancement – The Contractor shall provide a description of port, rail, and intermodal technologies that will most

likely be utilized in connection with the Project. This shall include mention of any efficiency factors that would be derived from the implementation of the intermodal corridor. The Contractor shall evaluate potential benefits expected from the implementation of the Project in terms of enhancing port and rail operations, advancing trade, increasing overall economic productivity;

- e) Other Issues – The Contractor shall identify the developmental and social impacts in terms of costs and social benefits that include port operational enhancements and efficiency of containerized cargo movements between the Port and Santiago and congestion and environmental improvements.

### **Task 8: Development of Intermodal Corridor Implementation Plan**

- a) The Contractor shall define the specific steps necessary for the implementation of the recommended intermodal corridor project including associated technologies that will be required for the operation of the intermodal corridor and its centers;
- b) The necessary steps and actions to be taken in connection with the various requirements such as institutional, legal, financial, and technical aspects shall be defined as part of the intermodal corridor implementation plan. The actual implementation plan should be specific and detail step-by-step the actions necessary to be taken by the Grantee and other project stakeholders for the implementation of the project in Chile;
- c) The Contractor shall develop a timeline, execution schedule, and process outline for the Grantee to complete the implementation of the project;
- d) The Contractor shall develop a comprehensive action plan that details the actions necessary for the implementation of the intermodal corridor, providing sufficient detail for each major component of the Project. The implementation plan shall be formulated by the Contractor at the completion of the feasibility study, including the identification of short, medium, and long-term sub-projects in accordance with the feasibility study objectives;
- e) The Contractor shall provide a list of local companies (with all available contact information and background data) that may be able to partner with U.S. firms in order to facilitate the export of port, rail, and intermodal technologies and services to Chile;
- f) The Contractor shall be responsible for evaluating the most effective and efficient approach to implementing the Project. The Contractor shall specify if a phased implementation approach would be beneficial to the project sponsor and shall prioritize the implementation of the various components of the Project.

*Deliverable No. 4:* Contractor shall submit a Development Impact Assessment as described in Task 7 and an Implementation Plan as detailed in Task 8.

### **Task 9: 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 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 Empresa Portuaria San Antonio ("Client"), dated \_\_\_\_\_ ("Grant Agreement"). The Client has selected \_\_\_\_\_ ("Contractor") to perform the feasibility study ("Study") for the San Antonio – Santiago Intermodal Corridor ("Project") in Chile ("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 Study 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 Study 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 Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions.

USTDA will make available further details concerning these provisions upon request.

#### **D. Recordkeeping and Audit**

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the Contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the 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 Study. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, 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](mailto: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. Study Schedule**

### **(1) Study Completion Date**

The completion date for the Study, which is June 30, 2014, is the date by which the Contract Parties estimate that the Study will have been completed.

## **(2) Time Limitation on Disbursement of USTDA Grant Funds**

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) 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 Study 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.: 1113/141001

Activity No.: 2013-51017A

Reservation No.: 2013168

Grant No.: GH201351168

## **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:  
Title:  
Phone:  
Fax:  
E-Mail:

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)**

## **TERMS OF REFERENCE**

### **Purpose and Background**

The purpose of this feasibility study (“Study”) is to analyze the technical and financial aspects of implementing the proposed San Antonio – Santiago Intermodal Corridor (Project). The Grantee is Empresa Portuaria San Antonio (San Antonio Port Company or “EPSA”), a government-owned company responsible for overseeing the development and operation of the Port of San Antonio, a multi-purpose port in central Chile located 67 miles from the capital city of Santiago.

The Chilean government, through the Grantee, intends to improve access to global markets by facilitating the movement of cargo in a cost effective manner to stay competitive and allow for continued economic expansion. In order to create an improved method of commercial distribution, the Grantee -- along with the various other public and private sector companies utilizing the port facilities -- has identified the need to improve the transportation connections between the Port of San Antonio (“Port”) and Santiago’s metropolitan area.

The feasibility study will identify incremental measures and steps that will lead to the development of the Project. The feasibility study will include the development of an infrastructure and implementation plan for the Project so that the Grantee, in coordination with EFE, COLSA, and private operators, can periodically review the strategic directions of the plan, identify appropriate intermodal sub-projects for investment, set priorities, develop high level implementation and acquisition plans, and develop yearly operational sub-projects.

The Contractor shall carry out the feasibility study with the full cooperation of the Grantee. The Grantee shall be responsible for providing key inputs for the Study.

### **Task 1: Kick-off Meeting and Review of Existing Port and Rail Infrastructure and Associated Systems**

- a) The Contractor shall coordinate all efforts necessary to conduct the kick-off meeting (in Chile) for the Study;
- b) The Contractor shall develop a timeline to be utilized as a guide for the completion of the Study in seven months;
- c) The Contractor shall review previous documentation developed in connection with port and rail development plans, including conceptual port and rail plans, cargo forecast for the next ten years, technology and system needs, and other relevant documentation. The Grantee and EFE have completed a substantial amount of studies in connection with port and rail development and as such, there is a significant amount of data and background information to support the feasibility study;
- d) The Contractor shall review the existing physical conditions at the Port of San Antonio and those areas proposed for the implementation of an intermodal center. The Contractor shall meet with the Grantee and private port operators to review existing port equipment and systems (including ICT technologies), with the purpose of identifying recommendations for port technology upgrades and/or new technologies for the Grantee and its operators;

- e) The Contractor shall review the physical characteristics of the alternative locations (a maximum of three locations to be considered) proposed for the Santiago intermodal center. The proposed site locations will be provided by the Grantee;
- f) The Contractor shall review the San Antonio-Santiago rail corridor, including rail infrastructure, rail operations, current and forecasted rail traffic, types and frequency of service, existing commodities handled by rail to and from the Port, the primary industries currently being serviced by rail, rolling stock and rail technologies, and current concessions associated with the corridor and recommend improvements needed to support the proposed intermodal corridor;
- g) The Contractor shall review the latest Port of San Antonio master plan, EFE's national railways plan and EFE's study on the potential uses for the "Patio Barrancas" rail yard;
- h) The Contractor shall review existing and forecast data (to be provided by the Grantee) regarding the transportation of containers handled by trucks to and from the Port;
- i) The Contractor shall meet with representatives from EFE, FEPASA, TRANSAP, and other rail stakeholders to discuss the proposed Project with the purpose of determining the level of interest and potential future participation from rail operators in the proposed Project;
- j) The Contractor shall hold periodic meetings (at least once a month for seven months) with the Grantee in order to discuss the proposals regarding methodological adjustments and the validity of the information gathered.

## **Task 2: Assess Physical and Operational Feasibility of the Intermodal Corridor Project**

- a) The Contractor shall assess the feasibility of establishing new intermodal centers in San Antonio and Santiago with the purpose of supporting the movement of containers between the two cities and supporting the Port of San Antonio's future container cargo demand;
- b) The Contractor shall conduct an assessment of the physical and operational requirements for new intermodal centers, both in San Antonio and in Santiago, including:
  - Transportation connections with immediate access to freight modes, presence and/or access to rail, and highway access;
  - Proximity to population centers and ability to service the San Antonio/Santiago regions;
  - Compatibility with intermodal facility development, ability to develop the site, size, area, and shape of the site, and ability to construct rail access;
  - Capital and operating cost to construct and operate the facilities and resulting rates;
  - Other general site, infrastructure, and operational requirements;
  - Existing rail and highway projects that could affect or impose conditions upon the intermodal center location and/or operation;
- c) The Contractor shall analyze and identify the benefits of the intermodal corridor in supporting the handling capacity of the Port of San Antonio, improving shipment travel times and providing a more cost effective means of shipping containers;

- d) The Contractor shall define the intermodal services and facilities including type of direct transfer of freight between modes (ship, barge, rail, and truck) for the intermodal centers;
- e) The Contractor shall examine information (to be provided by the Grantee) such as commodity flows, truck volume data, rail volume data, shipping information, and primary data on regional shipping in assessing the viability of the intermodal corridor;
- f) The Contractor shall review the level of rail utilization for the San Antonio – Santiago rail line, in terms of tons of rail freight and TEUs being transported, frequency of train service, train operational speeds, weight restrictions, the extent of the rail network, link capacities, travel times and transfer times, and operational constraints;
- g) The Contractor shall examine issues associated with the need for the creation of the intermodal corridor and intermodal facilities. In so doing, Contractor shall determine what existing port facilities or operations the Project will relieve, what markets it will serve, what other ports and regions it will connect with, and what site-specific advantages the proposed locations may present;
- h) The Contractor shall examine the broad spectrum of different models of intermodal facilities and concepts that may apply to the proposed San Antonio – Santiago Intermodal Corridor, including intermodal networks and corridors, satellite marine terminals, multimodal logistic terminals, rail intermodal terminals, and trade processing centers;
- i) The Contractor shall examine the port-to-center distance, the percentage of import and export TEUs arriving to and departing from the Port, and the largest generators of exports and imports that would utilize the intermodal corridor and its facilities;
- j) The Contractor shall visit, examine, and analyze up to three existing private container yards in the Santiago Metropolitan Area (SAAM, Sitrans, and one other to be specified by the Grantee if it deems it necessary), including their rail access and eventual connection with the proposed intermodal center;
- k) The Contractor shall review the number of carloads generated at the Port and potential interactions with the proposed intermodal centers to define capacity and characteristics for the intermodal corridor and intermodal centers;
- l) The Contractor shall conduct a technical analysis of the existing port and rail equipment and systems that could be utilized to support the Project and the Contractor shall review the intermodal equipment and systems that will be required for the operation of the intermodal corridor and associated intermodal centers;

*Deliverable No. 1:* Contractor shall submit an interim report covering all major work products described in Tasks 1 and 2. Grantee shall review this report and promptly provide comments to the Contractor so that the Contractor can provide clarifications or modify the contents of the report accordingly.

### **Task 3: Review Institutional, Legal, and Regulatory Issues**

- a) The Contractor shall review institutional, legal, and regulatory issues pertaining to the intermodal corridor development in Chile and determine if there are any significant issues that could become barriers for implementation and operation of the Project;

- b) The Contractor shall conduct interviews with key stakeholders for information needed to identify existing challenges as well as the processes by which potential implementation obstacles can be resolved;
- c) The Contractor shall review any regulatory issues pertaining to the development of the intermodal corridor, freight transportation, maritime and rail regulations in Chile, and other regulations pertaining to the movement of freight within Chile;
- d) The Contractor shall review local, provincial, and national laws that may have an impact on the development of the intermodal corridor, including applicable standards and regulations from Chilean government institutions;
- e) The Contractor shall assess the organizational structure that may be required in order to successfully implement the Project. The Contractor shall examine the concept of having a single organization that could be utilized to champion and implement the intermodal corridor along with the appropriate partnerships from government and private sector investors, utilizing the Alameda Corridor in Los Angeles County, California, as a potential point of reference;
- f) The Contractor shall consider other alternatives including special intermodal commissions with representation from the Grantee, EFE, COLSA, private operators and investors, shippers, and others that could provide continuity and enable a long-term perspective that would be needed to advance the implementation of the Project.

#### **Task 4: Preliminary Assessment of Environmental Impacts and Benefits**

- a) The Contractor shall analyze any environmental benefits and potential negative environmental impacts that may result from the implementation of the Project;
- b) The Contractor shall identify the necessary environmental approvals required for the implementation of the Project;
- c) The Contractor shall identify the environmental benefits that may result from the expected modal shift from truck to rail transportation of container cargo as a result of the implementation of the Project;

#### **Task 5: Development of Intermodal Corridor Operational and Physical Requirements**

- a) The Contractor shall develop the conceptual design for the Project, including the proposed intermodal centers and technologies;
- b) The Contractor shall define the operational and physical requirements for the intermodal corridor and associated intermodal centers and technologies;
- c) The Contractor shall develop two operational scenarios for demand of container transportation to and from the Port; one will be a conservative scenario of 300,000 TEUs/year and the second one will be an optimistic scenario of 500,000 TEUs/year. For each scenario, the Contractor shall develop the physical and operational requirements along with the most suitable business models;
- d) The Contractor shall define personnel needs for operation and maintenance requirements for the recommended intermodal corridor and its centers;
- e) The Contractor shall identify other intermodal center equipment and system requirements that may be necessary for the successful operation of the recommended intermodal centers;

- f) The Contractor shall suggest (for each operational scenario) port terminal systems, rail equipment and systems (including type of locomotive, freight cars, and freight transfer equipment), and intermodal equipment and systems for the intermodal corridor and associated centers;
- g) The Contractor shall define the concepts for the rail infrastructure and rail system improvements (tracks, bridges, clearances, rail sections, fastening, ballast, lay outs, pavements, switches, and other related components) needed to upgrade the rail corridor between San Antonio and Santiago with the purpose of supporting the implementation of the Project;
- h) The Contractor shall develop a comprehensive list of U.S. manufacturers and suppliers for the port, rail, and intermodal equipment and systems that are ultimately recommended for implementation. This list shall include a description for each manufacturer/supplier and contact information;
- i) The Contractor shall identify any constructability or implementation issues related to the proposed intermodal corridor and its intermodal centers. If applicable, the Contractor shall make recommendations for overcoming these issues as necessary.

*Deliverable No. 2:* Contractor shall submit a second interim report covering all major work products from Task 3, 4, and 5. Grantee shall review this report and promptly provide comments to the Contractor so that the Contractor can provide clarifications or modify the contents of the report accordingly.

#### **Task 6: Economic/Financial Analysis and Estimate of Investments and Operational Costs**

- a) The Contractor shall review economic conditions within the study area of San Antonio and Santiago as it relates to the implementation of the Project;
- b) The Contractor shall review and identify other potential shippers that would use and benefit from the implementation of the Project;
- c) The Contractor shall review and identify the economic impacts of improved rail and intermodal service between San Antonio and Santiago including transportation savings, new rail and intermodal revenues, new employment, as well as the related benefits and costs for improving rail and intermodal service between the two cities;
- d) The Contractor shall prepare the required investment estimates in an itemized budget format that allows for the assignment of the various investment costs to the different entities (Grantee, EFE, and private operators) for execution of the Project;
- e) The Contractor shall develop capital cost estimates for the Project, including rail system upgrades and establishment of intermodal centers, port and rail infrastructure improvements, site preparations, operational and maintenance costs for the intermodal centers and rail operations, and technological and equipment costs;
- f) The Contractor shall conduct a review of the financing alternatives that could be considered by the Grantee, EFE, and the port and rail operators for the implementation of the Project. The Contractor shall review existing transportation freight rates between trucks and rail between the Port and Santiago;
- g) The Contractor shall evaluate alternative revenue sources that can be generated for the implementation of the Project. The Contractor shall examine the Grantee's and

EFE's annual capital improvement/investment plans and determine the sources of funding expected to be used to support the Project;

- h) The Contractor shall investigate sources of funding from potential financial and government institutions (Ex-Im Bank, IFC, IDB, World Bank, and local financial institutions), including bilateral and multilateral financial lending institutions, public-private partnership arrangements, and private and commercial sources for the financing of the intermodal corridor project and required technologies;
- i) The Contractor shall develop the most appropriate business model for the implementation and operation of the intermodal corridor project. The recommended business model and cost estimates will provide the Grantee and other stakeholders with an estimate of start-up and annual costs, as well as the minimum container volumes required to make the intermodal corridor viable;
- j) The business model shall be developed by the Contractor to evaluate costs for intermodal facilities with varying sizes, equipment configurations, equipment types, and traffic levels that provides a range of potential investment levels for the Grantee and the private sector;
- k) The Contractor shall conduct a financial analysis relative to the amount of shipments required to support the implementation of the intermodal corridor and intermodal centers to include the consideration (at a minimum) of the following factors:
  - Minimum amount of freight movements required to financially support (profitable) the intermodal corridor and associated intermodal centers;
  - Amount of volume and schedule requirements for deliveries;
  - Minimum number of freight transfers (lifts/year);
- l) The Contractor shall produce a financial analysis that includes the review of a potential fee structure (rates) that could be used to make the Project commercially attractive for private developers and will include the review of Internal Rate of Return (IRR), transportation fees per TEU, per rail car, handling fees per container and car, intermodal center storage fees, and other pertinent fees and rates. The Contractor shall consider in its analysis the private concession programs already in place that involve the Grantee and EFE;
- m) The Contractor, following consultations with FEPASA and TRANSAP, shall conduct an analysis of the general benefits, costs, and rates comparing the truck alternative with the rail alternative, assuming completion of the Project. This will involve a comparative analysis that will estimate the competitive levels of the intermodal corridor versus the truck alternative and define which alternative provides the greatest benefits in the most cost-effective manner for container transportation between San Antonio and Santiago;
- n) The financial analysis shall include a detailed assessment of the financial viability of the Project;
- o) Based on the results from the financial analysis, the Contractor shall formulate a financial plan that is most suitable for the implementation of the Project, including the acquisition of equipment and systems.

*Deliverable No. 3:* Contractor shall submit a second interim report covering all major work products from Task 6. Grantee shall review this report and promptly provide comments to the Contractor so that the Contractor can provide clarifications or modify the contents of the report accordingly.

## **Task 7: Development Impact Assessment**

The Contractor shall analyze the developmental and social impacts of the intermodal corridor project and the analysis shall include an assessment of each of the following categories:

- a) Infrastructure – The Contractor shall describe to what degree the implementation of the intermodal corridor will supplement existing port and rail infrastructure in Chile;
- b) Market-Oriented Reforms – The Contractor shall provide a description of any regulation, laws, or institutional changes that would be required and the effect these would have assuming Project implementation;
- c) Human Capacity Building – The Contractor shall assess the number and type of local positions that would most likely be required for the implementation, operation, and maintenance of the Project. It shall be the responsibility of the Contractor to specifically identify in a quantitative measure, the amount of new jobs that may be created as part of the implementation of the intermodal corridor project, as well as the required specialized training. The Contractor shall assess the extent to which the Project is anticipated to promote job growth, industry attraction, and business expansion;
- d) Technology Transfer and Productivity Enhancement – The Contractor shall provide a description of port, rail, and intermodal technologies that will most likely be utilized in connection with the Project. This shall include mention of any efficiency factors that would be derived from the implementation of the intermodal corridor. The Contractor shall evaluate potential benefits expected from the implementation of the Project in terms of enhancing port and rail operations, advancing trade, increasing overall economic productivity;
- e) Other Issues – The Contractor shall identify the developmental and social impacts in terms of costs and social benefits that include port operational enhancements and efficiency of containerized cargo movements between the Port and Santiago and congestion and environmental improvements.

## **Task 8: Development of Intermodal Corridor Implementation Plan**

- a) The Contractor shall define the specific steps necessary for the implementation of the recommended intermodal corridor project including associated technologies that will be required for the operation of the intermodal corridor and its centers;
- b) The necessary steps and actions to be taken in connection with the various requirements such as institutional, legal, financial, and technical aspects shall be defined as part of the intermodal corridor implementation plan. The actual implementation plan should be specific and detail step-by-step the actions necessary to be taken by the Grantee and other project stakeholders for the implementation of the project in Chile;
- c) The Contractor shall develop a timeline, execution schedule, and process outline for the Grantee to complete the implementation of the project;
- d) The Contractor shall develop a comprehensive action plan that details the actions necessary for the implementation of the intermodal corridor, providing sufficient detail for each major component of the Project. The implementation plan shall be formulated by the Contractor at the completion of the feasibility study, including the

identification of short, medium, and long-term sub-projects in accordance with the feasibility study objectives;

- e) The Contractor shall provide a list of local companies (with all available contact information and background data) that may be able to partner with U.S. firms in order to facilitate the export of port, rail, and intermodal technologies and services to Chile;
- f) The Contractor shall be responsible for evaluating the most effective and efficient approach to implementing the Project. The Contractor shall specify if a phased implementation approach would be beneficial to the project sponsor and shall prioritize the implementation of the various components of the Project.

*Deliverable No. 4:* Contractor shall submit a Development Impact Assessment as described in Task 7 and an Implementation Plan as detailed in Task 8.

### **Task 9: 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.

**A N N E X 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.	
--	--

*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]	
--	--

Activity Title [To be completed by USTDA]	
---	--

Full Legal Name of U.S. Firm	
------------------------------	--

Full Legal Name of Shareholder	
--------------------------------	--

Business Address of Shareholder (street address only)	
---	--

Telephone number		Fax Number	
------------------	--	------------	--

Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.	
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Country of Shareholder’s Principal Place of Business	
--	--

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

Type of Ownership	Publicly Traded Company
	Private Company
	Other

If applicable, provide a list of shareholders and the percentage of their ownership. In addition, for each shareholder that owns 15% or more shares in Shareholder, please complete Attachment B.	
---	--

Is the Shareholder a wholly-owned or partially owned subsidiary?	Yes
	No

If so, please provide the name of the Shareholder’s parent(s). In addition, for any parent identified, please complete Attachment B.	
--	--

*Shareholder may attach additional sheets, as necessary.*



**ATTACHMENT C**

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

**Subcontractor Information Form**

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

USTDA Activity Number [To be completed by USTDA]	
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Activity Title [To be completed by USTDA]	
---	--

Full Legal Name of Prime Contractor U.S. Firm ("U.S. Firm")	
---	--

Full Legal Name of Subcontractor	
----------------------------------	--

Business Address of Subcontractor (street address only)	
---	--

Telephone Number	
------------------	--

Fax Number	
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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	
---------	--

Telephone	
-----------	--

Fax	
-----	--

Email	
-------	--

**Subcontractor's Representations**

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

1. Subcontractor is a <i>[check one]</i>	<input type="checkbox"/> Corporation	<input type="checkbox"/> LLC	<input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Other
--	--------------------------------------	------------------------------	--------------------------------------	--	--------------------------------

duly organized, validly existing and in good standing under the laws of: \_\_\_\_\_ .

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	