

REQUEST FOR PROPOSALS

TECHNICAL ASSISTANCE FOR THE

**RAIL INFORMATION TECHNOLOGY INTEGRATION AND DEVELOPMENT
PROJECT**

Submission Deadline: **4:00 PM**
LOCAL TIME
January 26, 2015

Submission Place: Mr. Savitskiy Insun Ivanovich
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SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.

REQUEST FOR PROPOSALS

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Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$437,000 to Kazakhstan's national railway company "Kazakhstan Temir Zholy" Joint Stock Company (the "Grantee") in accordance with a grant agreement dated September 29, 2014 (the "Grant Agreement") to fund a technical assistance ("Technical Assistance") for the Rail Information Technology Integration and Development Project ("Project"). The purpose of the Technical Assistance is to conduct a comprehensive review of the Grantee's current information technology and management information systems and recommend system improvements or additions in light of what is currently available to advanced railways. The Project will allow the Grantee to modernize and consolidate its information technology and management information systems to allow real-time visibility of its operations and network in Kazakhstan ("Host Country"). The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Technical Assistance.

1.1 BACKGROUND SUMMARY

The railway sector plays a significant role in Kazakhstan's economy. It is a critical mode of transport considering Kazakhstan's vast territory and lack of a significant water transport alternative. The Government of Kazakhstan has recognized the need to modernize the railway system and therefore is supporting investment plans in rolling stock, expanded railway lines and operational improvements to the national railway company Kazakhstan Temir Zholy ("KTZ"). KTZ operates both freight and passenger trains over its network, which consists of approximately 9,200 miles of railway covering all of the provinces of Kazakhstan.

KTZ, which is owned by the government national holding company Samruk-Kazyna, is consolidating its 14 subsidiaries into three departments: freight, passenger and infrastructure. This would bring KTZ more in line with the structure of railroads around the world. As part of this restructuring, KTZ will likewise be consolidating the software and management information systems of its 14 subsidiaries into the three departments. This consolidation will contribute to making more effective use of existing software and allow KTZ to improve its operations by having real-time information available across all of its units. KTZ is planning to coordinate information technology (IT) purchasing, which will remove duplication; increase use of IT for improved operations, accounting and safety; and produce data in a summarized form for senior management. There is specific interest in a situational awareness center focused primarily on safety that would include a dashboard of key indicators/metrics for senior management.

The purpose of the Technical Assistance is to conduct a comprehensive review of KTZ's current IT and management information systems and, in light of what is currently available to advance railways, recommend system improvements or additions. This analysis will provide an overview of all of the IT and information systems in place and options for modernization. The Technical Assistance will provide a gap analysis and recommendations for deployment of IT systems. In addition, the assistance will include workshops in order to familiarize KTZ personnel with the types of software, their functionality and benefits. The technical assistance will also develop a financial analysis for the IT systems and an implementation and integration plan. The Technical

Assistance will develop specifications for information technology and management systems for KTZ.

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

1.2 OBJECTIVE

This \$437,000 technical assistance grant will fund a comprehensive review of KTZ's current IT and management information systems and recommend system improvements or additions in light of what is currently available to advanced railways, in order to assist with the modernization and consolidation of KTZ's information technology and management information systems. The Terms of Reference (TOR) for this Technical Assistance are attached as Annex 5.

1.3 PROPOSALS TO BE SUBMITTED

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

The amount for the contract has been established by a USTDA grant of US\$437,000. **The USTDA grant of \$US437, 000 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$437,000 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 Kazakhstan Rail Information Technology Integration and Development.

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 Technical Assistance.

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

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

2.5 PROJECT FUNDING SOURCE

The Technical Assistance will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$437,000.

2.6 RESPONSIBILITY FOR COSTS

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

2.7 TAXES

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

2.8 CONFIDENTIALITY

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

2.9 ECONOMY OF PROPOSALS

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

2.10 OFFEROR CERTIFICATIONS

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

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for

specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in Annex 3.

2.12 LANGUAGE OF PROPOSAL

All proposal documents shall be prepared and submitted in English and Russian.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

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

Mr. Savitskiy Insun Ivanovich
IT Chief Engineer
Astana, 6 Konayev Street
Kazakhstan

Tel: +007 717 260 61 02
Fax: +007 717 260 61 00
savitskiy_i@railways.kz

An Original, two (2) hard copies and an electronic copy of your proposal must be received at the above address no later than 4:00 PM/16:00 local time, on January 26, 2015.

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

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

2.14 PACKAGING

The original and each copy of the proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labeled for content including the name of the project and designation of "original" or "copy number x." The original and two (2) hard copies should be collectively wrapped and sealed, and clearly labeled, including the contact name and the name of the project.

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

2.15 OFFEROR'S AUTHORIZED NEGOTIATOR

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

2.16 AUTHORIZED SIGNATURE

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

2.17 EFFECTIVE PERIOD OF PROPOSAL

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

2.18 EXCEPTIONS

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

2.19 OFFEROR QUALIFICATIONS

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

2.20 RIGHT TO REJECT PROPOSALS

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

2.21 PRIME CONTRACTOR RESPONSIBILITY

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

2.22 AWARD

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

2.23 COMPLETE SERVICES

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

2.24 INVOICING AND PAYMENT

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

Section 3: PROPOSAL FORMAT AND CONTENT

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

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

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$437,000, which is a fixed amount.

Offerors shall submit one (1) original, two (2) hard copies and one (1) electronic copy of the proposal. Proposals received by fax cannot be accepted.

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Firm Background Information,
- Completed U.S. Firm Information Form,
- Organizational Structure, Management Plan, and Key Personnel,
- Technical Approach and Work Plan, and
- Experience and Qualifications.

Detailed requirements and directions for the preparation of the proposal are presented below.

3.1 EXECUTIVE SUMMARY

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

3.2 U.S. FIRM INFORMATION

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

3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL

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

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

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

3.4 TECHNICAL APPROACH AND WORK PLAN

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

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

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

3.5 EXPERIENCE AND QUALIFICATIONS

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Technical Assistance. If a subcontractor(s) is being used, similar

information must be provided for the prime and each subcontractor firm proposed for the project. The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

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

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

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

Section 4: AWARD CRITERIA

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

This is a highly technical Project in the field of railway IT and management systems. The team should include five international experts, or combined experience which covers each of these areas:

- Rail Operations / IT Expert (Team Leader)
- Track Maintenance Expert
- Mechanical Maintenance Expert
- Rail Accounting Expert
- Rail Marketing Expert

The following provides a breakdown of requested expertise:

Kazakhstan Labor

- Administrative/Logistics/Translation

Rail Operations / Information Technology Expert (*Team Leader*)

- Team Leadership: demonstrated experience leading consulting teams on multiple projects associated with railway operations, information technology and management information systems.
- Railway Information Technology: At least 15 years of experience in the use of operations, information technology and management systems.
- Country/Regional Experience: Experience with railway projects in foreign countries.
- Education: A relevant degree, such as computer science or business.
- Language: Preferably proficiency in Russian or Kazakh language.

Track Maintenance Expert

- Railway Infrastructure: At least 15 years of experience in railway infrastructure construction and maintenance. Experience specifically with information and management systems relevant to track maintenance and track maintenance machines is required.
- Country/Regional Experience: Experience in railway projects in foreign countries.
- Education: Degree in civil engineering with concentration in the railway/transportation sector or a degree in IT with rail track experience.

Mechanical Maintenance Expert

- Rail Mechanical: At least 15 years of experience with inspecting and maintaining locomotives, passenger and freight rolling stock on a freight and passenger railway.
- Country/Regional Experience: Experience in railway projects in foreign countries.
- Education: Degree in mechanical engineering or equivalent experience and or a degree in IT with rail track experience.

Rail Accounting Expert

- Rail Accounting: At least 15 years of experience and familiarity with railway accounting practices and associated IT systems.
- Country/Regional Experience: Experience in railway projects in foreign countries.
- Education: Degree in accounting or business administration and or a degree in IT.

Rail Marketing Expert

- Rail Marketing: At least 15 years of experience in railway freight and passenger sales and marketing and IT systems marketing management.
- Country/Regional Experience: Experience in railway projects in foreign countries.
- Education: Degree in business administration or equivalent experience or a related field, with concentration in the railway/transportation sector.

The selection of the Contractor shall be based on the criteria outlined below.

1) Technical Approach and Work Plan (35%)

Offerors must provide a detailed Technical Approach and Work Plan for execution of the Terms of Reference for the TA, including staffing allocations per task. This should include a detailed description of the steps that will be to accomplish each task and the overall objectives of the TOR. A component of this Technical Approach and Work Plan should be an approach to identifying and arranging for the training program, including a listing of potential host or training organizations.

2) Qualifications of the Contractor, including for each of the five key personnel categories (35%)

Offerors must provide resumes for each of the proposed staff and supporting project and/or country examples of work activities relevant to the proposed assignment as described in the TOR. Included should be a description of how these projects and/or country examples provide evidence of competence and/or expertise as related to the proposed assignment. Russian or Kazakh language capability will be considered an advantage.

3) Experience working with government, state-run organizations and the private sector in developing nations, preferably in post-Soviet countries with 1520 mm gauge railways (15%)

4) Experience with planning and delivering long-term training programs for the railway sector (15%)

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

Price will not be a factor in contractor selection.

ANNEX 1

Mr. Savitskiy Insun Ivanovich
IT Chief Engineer
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Kazakhstan

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Email: savitskiy_i@railways.kz

Kazakhstan: Rail Information Technology Integration and Development Project

POC: Jennifer Van Renterghem, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009, Email: RFPQuestions@ustda.gov. Kazakhstan: Rail Information Technology Integration and Development Project. The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to provide technical assistance on rail information technology (IT) integration and development in Kazakhstan.

Brief Project Background and Description of Grantee

Kazakhstan Temir Zholy Joint Stock Company ("KTZ") is the state-owned rail company of Kazakhstan. The purpose of the KTZ Rail Information Technology Integration and Development Technical Assistance ("TA") is to conduct a comprehensive review of KTZ's current IT and management information systems and, in light of what is currently available to advance railways, recommend system improvements or additions. This analysis will provide an overview of all of the IT and information systems in place and options for modernization. The TA will provide a gap analysis and recommendations for deployment of IT systems. In addition, the TA contractor will conduct workshops in order to familiarize KTZ personnel with the types of software, their functionality and benefits. Using the results of the gap analysis and the workshops, the TA will develop a financial analysis for the IT systems (including looking at the financial impact of operational efficiencies) and an implementation and integration plan. This implementation and integration plan will enable KTZ to consolidate its information systems and make investments to modernize and take advantage of its functional grouping into three new departments. The TA will also develop specifications for information technology and management systems for KTZ, refining the recommendations. In addition, the TA will design a future training and technology transfer program that would enhance KTZ's familiarity with such systems and the full range of benefits they can provide, through 'hands on' experience for its employees.

Brief Description of Study Components

The U.S. firm selected will be paid in U.S. dollars from a \$437,000 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and portions of a background definitional mission report are

available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to: <https://www.ustda.gov/businessopps/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

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

Interested U.S. firms should submit their Proposal in English and Russian directly to the Grantee by 4:00 PM/16:00 local time on January 26, 2015 to the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

ANNEX 2

Kazakhstan Rail Sector

Definitional Mission

Recommendation for

KTZ Information Technology Integration and Development Technical Assistance

June 20, 2014

Submitted by:

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This report was funded by the US Trade and Development Agency (USTDA), an agency of the US 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.



The US Trade and Development Agency

The U.S. Trade and Development Agency helps companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. USTDA links U.S. businesses to export opportunities by funding project planning activities, pilot projects, and reverse trade missions while creating sustainable infrastructure and economic growth in partner countries.

A. Executive Summary

Kazakhstan Railways Corporation (KTZ) is undertaking an Information Technology Integration and Development Project (Project) in order to modernize its railway operations. KTZ was divided into 14 subsidiaries with clearly defined responsibilities, each with a separate budget and little, if any, inter-subsidiary charging. Each department has created its own software systems to meet its specific needs and in a limited number of cases have purchased specialized software for railway operations, such as Oliver Wyman's MultiRail, which has had significant impact on improving the operations of KTT (KTZ's freight wagon owner) but is still underutilized.

KTZ is currently planning for a restructuring and consolidation into three departments - freight, passenger and infrastructure - and it has been recognized that Information Technology (IT) needs to be coordinated in order to: remove duplication; increase use of IT for improved operations, accounting and safety; and to produce data in a summarized form for senior management. There is specific interest in a situational awareness center with a dashboard of key indicators/metrics for senior management focused primarily on safety.

The purpose of the proposed KTZ Information Technology Integration and Development Technical Assistance (TA) is to make a comprehensive review of KTZ's current IT and management information systems in light of what is currently available on advanced railways and recommend system improvements or additions. From this, the TA will develop a training or technology transfer program that enables KTZ to acquire new or improved systems and for KTZ management to make full use of such systems. The training program would be designed for key departments (operations, track maintenance, mechanical maintenance, accounting, marketing, IT department) and would be focused on each department's function and will include classroom and internship training programs in the U.S. as well as a technical tour by senior KTZ management officials.

The Project holds the potential to generate significant U.S. exports of goods and services, especially IT software and management systems as well as related hardware. The U.S. is a leading supplier of software solutions and several U.S. companies are actively pursuing or interested to pursue opportunities with KTZ, including IBM, HP, GE Optimization Solutions, Harsco (Zeta Tech), Union Pacific Railroad, TTCI, Optym, and Oliver Wyman. There are at least 50 rail based software programs with potential to be deployed by KTZ. There is an estimated minimum of \$25 million of U.S. exports that could result from the Project with a realistic potential of greater than \$50 million.

The Project has strong potential developmental impacts, overall positive environmental impacts, and fits well with KTZ's plans to modernize its IT and management systems and improve railway operations. The proposed TA has a budget of \$437,000.

B. Project Description

Kazakhstan Rail Sector Background

Kazakhstan has one of the world’s largest railway networks. With its vast territory and lack of a significant water transport alternative, railways are playing, and will continue to play, a key role in the national transport sector, particularly for freight. The basic facts and data for the railway are shown as Table 1.

Table 1. Basic Facts for 2012

Length	14,800 km	Employees	160,000
Length electrified	4,200 km	International interchanges	16
Locomotives	1920	Freight tons (thousand)	257,846
Freight cars*	127,695	Freight tkm (million)	235,845
Passenger cars	2,255	Passengers (thousand)	19,498
Stations	784	Passenger km (million)	16,708

Data from 2012 KTZ annual report, includes 61,995 privately owned freight cars

The current rail network is inherited from the Soviet Union system and has a broad gauge of 1,520 mm (4 ft 11 5/6 in). While this provides a smooth transit at international borders to countries of the former Soviet Union, the railway in China has the standard gauge of 1,435 mm (4 ft 8 1/2 in); thus there is a break-of-gauge at the eastern borders. The railway currently accounts for about 60 percent of all freight movement.

Prior to 1991, the centrally planned and controlled government of the Soviet Union managed the railway system - management and standards for the whole railway system were controlled from Moscow. With centralized planning, the need to provide nationwide employment, and national security concerns, little thought was given to the cost of transportation. Manufacturing became extremely transport intensive and there was little effort or pressure to reduce railway transport costs. In addition, trucking was strictly controlled and there were few modern highways. Given the size of the country, the railway had little competition. Until recently a technology that worked was officially adopted and there was little effort to improve it. Many of the technologies date from the 1920s, and until recently many of the operating practices date from the post-World War II era. Today there is still a strong interdependence with the Russian rail system, which necessitates compliance with Russian standards (GOST) for the rail sector.

The Government of Kazakhstan has recognized the need to modernize the railway system, which was a ministry under the first major phase of reforms, and was in 2002 formed into a wholly government owned joint stock company. This was followed by creating 14 separate joint stock companies. All are 100% owned by KTZ and each has a specific purpose and operated as a separate entity. Table 2 is a listing of these companies.

Table 2. Joint Stock Companies Owned by KTZ

	Company Name	Primary Purpose
1	Locomotive	Provides and maintains locomotives
2	Kaztransservice	Provision of container service
3	Transtelecom	Provides telecom services
4	Passenger	Provides passenger services
5	Transport service center	Provision of approach lines for transit, shunting etc.
6	Militarized Railway Security	Railway Police
7	Kartemirtrans	Transportation of Freight
8	Temirzholsu	Supplies water and waste water services
9	Locomotive Service Center	Daily locomotive maintenance and supplies crews
10	Almaty Car Repair	Supplies freight cars
11	Locomotives Kurastyru Zauyty	Manufactures locomotives
12	Remlocomotive	Remanufacture/overhaul of locomotives/rolling stock
13	National center for Transportation Logistics	Research into the field of rail transportation
14	Vokzal-service	Operation of stations and passenger facilities

Instead of the usual practice of dividing the railway into separate departments, each with a defined responsibility, they chose the approach of separate companies with cross charging. While fairly common in other industries there are few, if any, other examples of this practice in railway companies due to the complexity of developing cross-charging mechanisms which provide the right incentives to promote efficient and effective operations.

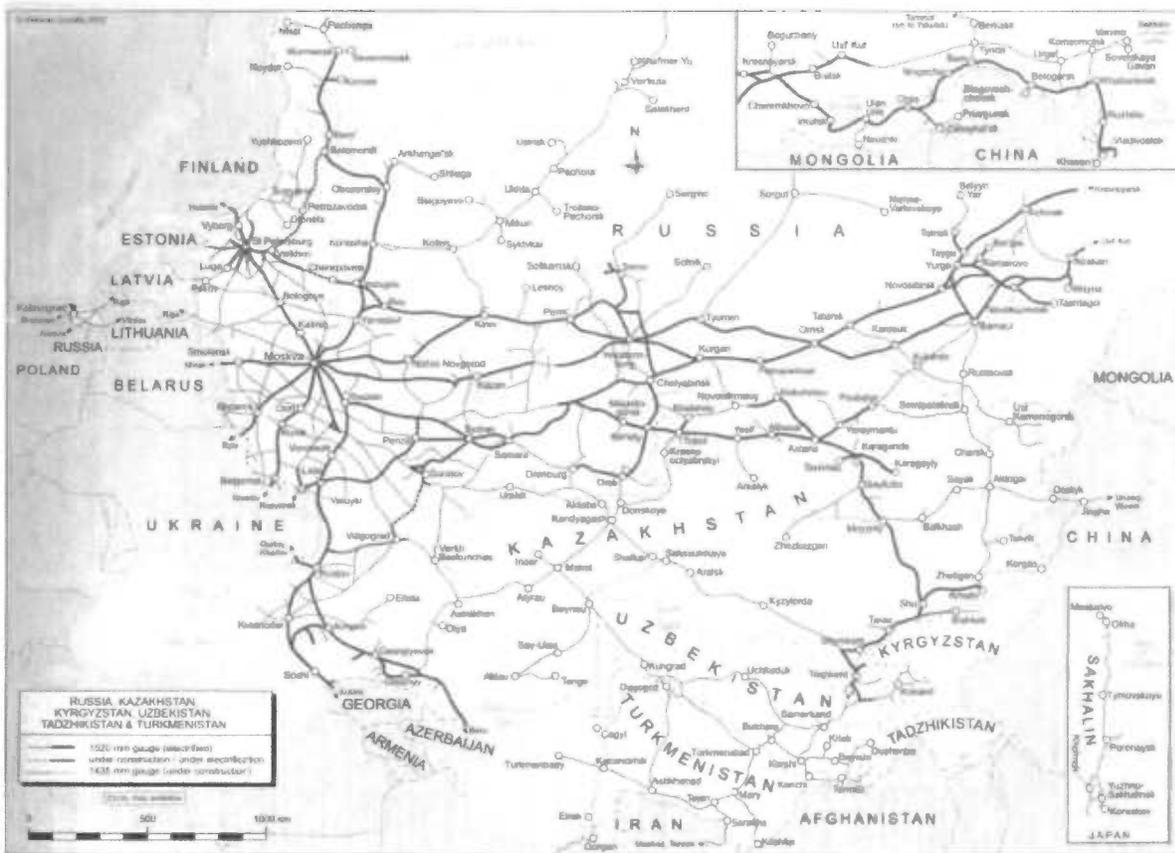
KTZ Express was also recently formed and will serve as the national multi-modal operator. According to the KTZ Express website (ktse.kz) it is a 100% subsidiary of Kazakhstan Railways. The company has branches in China, Turkmenistan, Uzbekistan, Ukraine, Russia and Latvia. Aktau International Sea Trade Port, Special Economic Zone “Khorgos – East Gate” and 11 airports are under the management of the company. It integrates rail, sea, air and road transportation, seaport and airport infrastructure as well as the network of terminals and transport and logistics centers.

In addition, KTZ is part owner of five other companies that serve the railway, ranging from training to managing pension funds. There are also four limited liability companies that are primarily in railway construction. According to discussions during the Definitional Mission, KTZ is now being restructured again in order to reconsolidate the subsidiary companies into three departments - freight, passenger and infrastructure. This restructuring may take place before the end of 2014.

KTZ plans to make investments of approximately \$40 billion in the sector through 2020, which builds on the more than \$7 billion invested from 2010 to 2012. Aside from KTZ there are a few private rail sector companies, including Olzha, which are primarily involved with leasing and provision of freight cars and rail logistics.

Since the dissolution of the Soviet Union and the independence of the states, the knowledge and the incentives to improve the standards and operating practices have been slow to develop. The majority of the railway routes in the neighboring countries were constructed in the Soviet era, with routes primarily connecting to and from Moscow (see **Figure 1**). As a result, there is often a need for international interchange of wagons even when movement is between areas of the same country. To improve cooperation between them, most of the former Soviet states formed the Confederation of Independent States (CIS). The Russian Railway (RZD) is the dominant railway, and there has been little incentive to improve the technology and interchange rules between member states. This is changing as the RZD is promoting private ownership of wagons.

Figure 1 Railway Map of Eastern Europe and Western Asia



Source: 2013 Railway Directory

Much of KTZ's investment has been and will continue to be on improving railway efficiency and versatility by constructing routes that avoid international interchange for domestic traffic and to avoid international connections that require passing through a third country. In addition, the railway is constructing routes that will permit efficient rail movement of freight between China and Europe. While there is considerable publicity associated with developing intercontinental rail

connections, it may not have the growth that is optimistically projected. Rail is four times more expensive than sea transportation and rail at best will only save about 15 days.

KTZ Information Technology Integration and Development Project Background

When it was created, the Kazakhstan Railway Corporation (KTZ) was divided into 14 subsidiaries with clearly defined responsibilities. Each has a separate budget and there appears to be little, if any, inter-subsidiary charging. Each department has developed its own software systems to meet its specific needs and in a limited number of cases have purchased specialized software for railway operations, such as MultiRail from Oliver Wyman. Unfortunately it appears that, due to the railway structure, while MultiRail has had a positive impact, it is not being used anywhere close to its full capabilities.

According to discussions with KTZ, the railway is going to be restructured and consolidated into three departments - freight, passenger and infrastructure - and it has been recognized that Information Technology (IT) needs to be coordinated in order to: remove duplication; increase use of IT for improved operations, accounting and safety; and to produce data in a summarized form for senior management. There is specific interest in a situational awareness center with a dashboard of key indicators/metrics for senior management focused primarily on safety.

MultiRail is a leading integrated software package for rail operational planning. The MultiRail platform was the first widely available system that allowed railroads to build their operating plans based on infrastructure and demand, and not simply by editing old train schedules. For the past two decades, MultiRail has given service design specialists an extensive set of tools for managing networks, importing and managing traffic data, designing blocks, flowing the traffic over the blocks, and building trains that support the traffic and blocks that are actually seen on the railroad.

Taking advantage of the integrated MultiRail platform, Oliver Wyman offers a full suite of rail planning modules that provide a wide array of functionality, each focusing on a specific aspect of rail planning and operations. The MultiRail Planning Suite currently contains 16 separate modules.

To fully understand the railway's current level of IT and management systems, their interrelationship and where new and/or improved systems are needed, requires a detailed knowledge of both KTZ and systems available elsewhere and specifically in the U.S. The purpose of the proposed TA is for a Contractor to make a review of KTZ's current IT and management information systems in light of what is currently available on advanced railways and in so doing recommend system improvements or additions. From this, the Contractor would develop a training and technology transfer program that enables the implementers of improved or new systems to identify, develop familiarity with, acquire and implement IT software and management systems.

Map of KTZ's Rail Network and Connections to other Railway Systems



To comprehend, specify, procure, implement, and ensure maximum utilization of information technology and/or management information systems, a comprehensive understanding is required by those in charge of implementation. In addition, the management that will make use of the IT and management systems must have a comprehensive understanding of how to take full advantage of these systems. To develop the detailed knowledge necessary to effectively procure, install and fully make use of modern rail IT and management systems requires 'hands on' experience for those who will create, implement and make use of these systems. To gain this experience a series of long-term training programs (or internships) would be developed by the Contractor and funding support would be sought from bilateral and multilateral financing institutions and software suppliers.

The internship hosting organizations would gain from an analyst/engineer that is able to perform productive work and possibly, if necessary, be paid for their training effort. The exact structure would be negotiated by the Contractor, training host and KTZ. The trainees would be exposed to the systems' logics to the level that they would be able to specify systems that would be required by KTZ for, if appropriate, international competitive procurement. In addition, they will become completely familiar with how the systems are used so that they can determine what would be required to make full use of the systems once they are available to KTZ.

C. Project Sponsor Capabilities and Commitment

Implementing the Information Technology Integration and Development Project is a top priority for KTZ and the Government of Kazakhstan, as indicated by discussions with several KTZ departments, including KTZ Corporate; JSC Kaztemirtrans (KTT), KTZ's freight wagon owner; and KTZ TransTelekom. Each of these organizations has invested significantly in IT systems and has plans for additional expenditures and integrating various systems. The interaction between these organizations and the rest of the 14 subsidiary companies is complex and this is further complicated by the fact that there is a major reorganization taking place and each may have plans to

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play a larger role in the development of the reorganized company’s IT infrastructure. KTZ’s investment in the MultiRail software system is another indication of the priority placed on IT systems within the company. In order to implement KTZ senior management, including Director for IT Insun Savitskiy, has identified this Project as a priority for USTDA technical assistance support.

As seen in the tables below from the 2012 KTZ Annual Report, the company is well positioned to make investments in the IT and management systems, with annual profits of over \$600 million and cash and cash equivalents of over \$400 million.

Financial Performance Indicators (2010/2011/2012) from KTZ 2012 Annual Report

Average occupancy (JSC “Passenger Transportation” excluding individual carriers)	pass./wagon	30	32	33
Income from operating activity	thousand tenge	582 380 808	702 740 094	795 788 793
Cost of sales	thousand tenge	397 418 883	470 280 262	547 142 199
Gross income	thousand tenge	184 961 925	232 459 832	248 646 594
General and administrative expenses	thousand tenge	69 164 226	62 107 961	78 800 676
Expenses on sale and services	thousand tenge	121 788	159 971	193 391
Other income	thousand tenge	1 991 464	4 293 372	5 605 289
Financing income	thousand tenge	3 289 691	4 637 732	3 991 446
Financing expenses	thousand tenge	12 998 931	19 022 743	29 188 901
Other expenses	thousand tenge	118 652	2 444 594	4 155 305
Share in (loss)/income in associated and jointly controlled organizations	thousand tenge	242 810	69 331	-72 209
Income before taxes	thousand tenge	108 082 293	167 724 998	145 832 847
Corporate income tax expenses	thousand tenge	41 545 541	32 554 051	30 304 707
Net loss for the year from discontinuing operation	thousand tenge		-1 942 128	-1 109 451
Income for the year before deduction of minority interest	thousand tenge	66 536 752	123 228 819	114 418 689
Minority interest	thousand tenge	619 112	341 919	1 090 617
Profit for the year attributable to the Shareholder of holding company	thousand tenge	65 917 640	122 886 900	113 328 072

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CONSOLIDATED STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2012 (in thousand tenge)

	Note	December 31, 2012	December 31, 2011
ASSETS			
Long-term assets			
Fixed assets	4	1,618,330,771	1,269,466,967
Intangible assets	5	8,622,684	8,356,743
Investments in associated and jointly controlled companies	6	15,479,199	4,939,504
Investment property	7	7,129,207	6,678,879
Assets attributable to the Shareholder	12	7,000,000	-
Other long-term assets	8	133,189,328	55,429,341
Total long-term assets		1,789,651,189	1,344,772,454
Current assets			
Commodities and materials	9	33,794,699	41,484,666
Trade accounts receivable	10	7,689,604	4,568,143
Other financial assets	11	43,050,711	51,221,664
Income tax pre-paid		2,125,829	5,536,970
Assets attributable to the Shareholder	12	28,238,668	47,777,020
Cash and cash equivalents	14	67,313,397	130,211,949
Monetary funds restricted for use	17	223,531	224,665
Other current assets	13	47,688,985	38,437,374
		230,125,394	319,464,451
Long-term assets held for sale	15	37,720,512	-
Total current assets		267,845,906	319,464,451
Total assets		2,057,497,095	1,664,236,905

D. U.S. Export Potential

The Project holds the potential to generate significant U.S. exports of goods and services. The U.S. is a leading supplier of software solutions. Several U.S. companies are active in selling information technology for railroads. These include, IBM, HP, GE Optimization Solutions, Harsco (Zeta Tech), Union Pacific Railroad, Accenture, Optym, TTCL, and Oliver Wyman.

Without a detailed understanding of KTZ's current software or the impact of the planned restructuring of KTZ on the railway's existing systems, it is difficult at this stage to predict which software systems will be deployed and the associated U.S. export potential. However, the railway has demonstrated strong interest in improving their existing systems and there are a wide range of systems that could clearly be deployed and bring significant benefits to the efficiency of KTZ operations.

There are at least 50 rail based software programs that the DM Team has identified as potentially being deployed by KTZ and they are listed as Appendix 1 of this report. There is probably an equal number that are not listed from other companies. It is not possible without the proposed Technical Assistance to identify which of these systems are the most appropriate or likely to be deployed by KTZ.

As illustration of the export potential:

- Five of the more popular software systems offered by GE Optimization Solutions range in price for the license fee and 5 year maintenance, from \$7.5 to \$12 million, with an additional 50% for implementation and training.
- Union Pacific's PS Technology subsidiary offers about 40 systems that range in cost from a nominal \$200,000 to \$100 million with typically 50% additional for implementation. Separate software packages are in the range of \$5 to \$10 million.
- Canadian National Railroad (CN) purchased BNSF's freight car operational planning system for \$100 million and on CN's completion of an upgrade, the deal included giving a copy of the upgraded version back to the BNSF.

IT software deployed by a large railway such as KTZ has such a level of sophistication that it usually requires significant modifications to meet the specific characteristic of the railway and or requires large volumes of background data input. In addition to extensive training, there is a need for translation of the software. The final U.S. input is subject to detailed negotiations, making it very difficult to project U.S. export dollar volume. To be able to accurately estimate U.S. export potential requires a detailed understanding of KTZ's IT systems, their operations and their future needs. It also requires a detailed understanding of the available software and modifications and training needs for effective implementation.

From a review of the IT systems listed in Appendix 1 it is reasonable to assume that even if only 10% of the systems are acquired by KTZ at an average of \$5 million each, this would be in excess of \$25 million of U.S. exports of software and possibly hardware. The volume could be substantially higher, with an estimated realistic U.S. export potential of \$50 million, but is unlikely to be much lower. Generally IT software can improve equipment utilization and reduces the need to purchase additional equipment. If this Project is successful it will demonstrate the logic of purchasing

Railinc IT and Management Systems

One of the leading U.S. railway IT and management systems is provided by Railinc Corporation, which provides rail data, IT and information technology services to the North American freight railway industry. Railinc is a for-profit subsidiary of the Association of American Railroads. Railinc processes and delivers vital rail data as a service (DaaS) and provides software as a service (SaaS) to the freight rail industry. Because many of the company's IT systems are required by formal railroad operating rules, the company's applications and services can be found embedded in critical operations and financial systems throughout the industry. One such system is the Umler system, the rail industry's official, mission-critical source for rail equipment information, including freight cars of all varieties, locomotives and end of train devices. Railinc also provides tracking and tracing data, known as car location messages (CLMs). The RailSight engine delivers car location messages to rail equipment owners, shippers, and third-party logistics providers. The data is used for fleet management and to track and trace the movement of freight and freight cars throughout North America to ensure goods are delivered on-time or to track the progress of their movement. Other Railinc systems include the Damaged and Defective Car Tracking (DDCT) System that is used for identifying and tracking damaged and defective rail cars to ensure their proper handling on the railways. Railinc also provides the Equipment Health Management System (EHMS) that monitors equipment to identify possible mechanical problems; Interline Settlement System that settles funds monthly between railroads; Forward & Store is a secure system for exchanging interline waybill information; Railinc Message Switch delivers more than nine million messages each day over its electronic data interchange (EDI) network, including transportation waybills, advance train consists, blocking requests and responses and trip plans; Railinc tracking and tracing services help customers identify cars and their shipments in the rail network.

G. Implementation Financing

Regarding the procurement of at least \$25 million of equipment for the Project, based on the DM Team's understanding of previous procurements, if the IT and management systems are bought outright by KTZ, it would likely use internal budgets and/or export credit agency financing for these procurements. If it chooses to allocate the funds for these procurements, KTZ has the internal budget to make such procurements as demonstrated by its balance sheets (see Section C of this report). The company's financial strength is also supported by three major rating agencies (2012):

1. Standard & Poor's - BBB-/Stable;
2. Fitch Ratings - BBB / Stable;
3. Moody's Investors Service - Baa3/Stable.

There are a number of other potential sources of financing available for rail sector projects in Kazakhstan, including bond financing, domestic and international commercial bank debt financing, and vendor financing. Prospective sources of bilateral and international finance institution financing include:

U.S. Export-Import Bank

In 2012, Ex-Im Bank made a direct loan to KTZ in the amount of \$425 million in support of the procurement of approximately 200 GE Evolution Series locomotives and locomotive kits, representing the largest single financing that Ex-Im Bank has approved for any railroad anywhere in the world. Together with the three prior Ex-Im Bank financings for KTZ and its subsidiaries, this brings the total amount that it has provided to KTZ and Lokomotiv to just under \$600 million. This is the most financing that Ex-Im Bank has provided to any railroad anywhere in the world during the past 15 years.

EBRD – EBRD has been active in the Kazakhstan rail sector. EBRD transactions include:

- About \$60 million loan financing for track maintenance machinery (tamping machines and ballast cleaners) primarily from Russia and Austria. The loan was paid back early in 2003 because KTZ did not like the terms of the loan.
- \$50 million loan to finance procurement of wagons in 2008.
- Energy Efficiency loan for \$40 million (2012).
- Facilitated a \$200 million purchase of wagons through a Eurobond issuance. Based on the successful bond issuance, in 2012, KTZ issued Eurobonds in the domestic and international

Fitch Ratings affirmed its senior unsecured rating at 'BBB' in December 2013 – the outlook is stable. According to the report, "KTZ's ratings reflect its 100 percent state ownership, indirectly owned through the JSC National Welfare Fund Samruk-Kazyna (S-K), and strategic importance to Kazakhstan (BBB+/Stable/F2) as monopoly owner/operator of the Kazakhstan rail infrastructure and provider of around half of the freight and passenger transportation in the country. KTZ's tariffs are regulated and its investment plans approved, and directly co-funded by the state through equity injections and loans. The government also provides direct subsidies for the loss-making passenger business."

Fitch expects KTZ's earnings will continue to be supported by relatively strong volumes on the back of still strong GDP growth rates (expected by Fitch to be in excess of 5.5 percent in 2014 and 2015) and demand for the transportation of commodities, KTZ's key revenue driver. The 8 percent proposed average tariff increase for 2014 is also expected to be supportive. Continued material increases in capex are expected to drive sizeable negative free cash flow (FCF) over the medium-term despite the expectation of strong earnings and cash flow from operations (CFO). KTZ's business profile remains strong, benefiting from its monopolistic position, relatively diversified product and customer mix with balanced exposure to domestic, transit and export markets, according to the agency. However, the expected weakening in credit metrics, particularly increased leverage and negative free cash flow generation, places considerable pressure on the company's underlying credit quality.

markets. As a result, a successful placement of new Eurobond issue was conducted in London and Kazakhstan stock exchanges for \$800 million with a 30 years maturity and a rate of 6.95% per annum. This release was marked by a record repayment tenor among the corporate issuers of the post-Soviet area, and has been the largest deal with a 30 years maturity in Kazakhstan and the countries of Central and Eastern Europe, Middle East and Africa since 2008. The placement is also marked by the lowest rate of return shown by the CIS corporate issuer for the issuance with a 30 years maturity. Later in 2012 KTZ made an additional placement of Eurobonds in the amount of \$300 million US Dollars.

The World Bank and the Asian Development Bank are active in Kazakhstan in the transportation sector including the recently funded \$2 billion loan for the Kazakhstan South-West Roads Project.

H. Developmental Impact

Successful implementation of the Project would have the following potential development impacts:

Infrastructure: The Project, if fully implemented would facilitate the improved operations of the railway, which could result in improved track maintenance and condition resulting from the use of advanced IT and management systems, especially in the railway maintenance and operations departments.

Technology Transfer and Productivity Improvement: The Project, if fully implemented would lead to the transfer of IT and management system technologies to the Grantee as a result of Project implementation. Potential systems to be deployed are listed in Appendix 1 of this report. The deployment of advanced IT and management systems would improve the efficiency and productivity of railway operations through the removal of redundancies; increase use of IT for improved operations, accounting and safety; and delivery of data in a summarized form to inform decisions by senior management.

Human Capacity Building: The implementation of the Project would lead to the long-term jobs during Project implementation in the area of IT and management systems at KTZ and with private sector IT service companies in Kazakhstan. Depending on the systems selected for deployment, which could vary widely, at least 200 long-term IT related positions could be created. There will be a significant amount of training provided to KTZ personnel during the deployment of IT and management systems, primarily by system suppliers but also by integrators and private sector IT service companies. It is estimated that at least 500 KTZ staff would receive some form of training under the Project.

Environment: There would be positive environmental impacts of the Project (e.g. as a result of efficiency gains for railway operations), resulting in lower fuel and power requirements, spare parts, and other resources consumed regularly by a railway, per passenger or freight ton kilometer of operation. An estimated reduction of 100,000 tons of carbon dioxide emissions per year could be achieved through the implementation of the Project.

Other: The Project, if fully implemented, would lead to other developmental benefits such as: enhanced railway safety as a result of increased safety related IT and management systems such as a proposed situational awareness center with a dashboard of key indicators/metrics for senior management focused primarily on safety; reduced road traffic, resulting in fewer accidents and lower vehicle emissions, as a result of increased freight and passenger rail traffic made possible through the increased operational efficiencies from IT and management system.

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The estimated timeline for the TA is 36 weeks as shown in the chart below.

Task	TASK	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Kick Off Meeting	█														
2	Review of Current Data, Operating Practices--		█	█	█	█	█									
2.1	Interrelations between Systems		█	█	█	█	█									
2.2	Information Systems related to Foreign Railways		█	█	█	█	█									
2.3	Existing IT and Management Systems		█	█	█	█	█									
2.4	Gap Analysis					█	█	█								
3	Workshops							█	█	█						
4	Negotiation with Host Training Organizations								█	█	█					
4.1	Implementation Plan and Budget										█	█	█			
4.2	Explore Training Funding											█	█	█		
5	Draft Implementation Plan												█	█	█	
6	Development Impacts Assessment														█	█
7	Final Report															█

M. Justification and Recommendation

KTZ is at a critical juncture as it plans to reconsolidate 14 separate subsidiary companies into three departments. This reorganization dictates the integration and rationalization of the various IT systems within these organizations. It also represents a huge opportunity to modernize its operations and integrate these departments utilizing world class IT and management systems. The deployment of these systems is expected to increase efficiency, reduce costs, increase market share for freight and passenger rail, and increase safety.

The purpose of the KTZ Information Technology Integration and Development Technical Assistance (TA) is for the Contractor to make a comprehensive review of KTZ's current IT and management information systems in light of what is currently available on advanced railways and in so doing recommend system improvements or additions.

The Project holds the potential to generate significant U.S. exports of goods and services, especially IT software and management systems as well as related hardware, with an estimated minimum of \$25 million of U.S. exports that could result from the Project. The Project has strong potential developmental impacts, overall positive environmental impacts, and fits well with KTZ's plans to modernize its IT and management systems and improve railway operations. We recommend USTDA funding for the TA with a budget of \$437,000.

N. Contacts

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ANNEX 3



U.S. TRADE AND DEVELOPMENT AGENCY
Arlington, VA 22209-3901

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS
[As of January 17, 2014]

The purpose of USTDA's nationality, source, and origin requirements is to ensure 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, 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, non-U.S. citizens lawfully admitted for permanent residence in the United States or non-U.S. citizens lawfully admitted to work 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.

NATIONALITY:

1) Application

A U.S. firm that submits a proposal must meet USTDA's nationality requirements as of the date of submission of the proposal and, if selected, must continue to meet such requirements throughout the duration of the USTDA-funded activity. These nationality provisions apply to all portions of the Terms of Reference that are funded with the USTDA grant.

2) Definitions

A "U.S. firm" is a privately owned firm that 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. citizens and/or non-U.S. citizens lawfully admitted for permanent residence in the United States, 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 that is organized in the U.S., has its principal place of business in the U.S., and is more than 50% owned by U.S. citizens and/or permanent residents, qualifies as a "U.S. firm".

A nonprofit organization, such as an educational institution, foundation, or association, also qualifies as a "U.S. firm" if it is incorporated in the U.S. and managed by a governing body, a majority of whose members are U.S. citizens and/or permanent residents.

SOURCE AND ORIGIN:

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.

Version 01.17.2014

ANNEX 4

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 “Kazakhstan Temir Zholy” JSC (“Grantee”). USTDA agrees to provide the Grantee under the terms of this Grant Agreement US\$437,000 (“USTDA Grant”) to fund the cost of goods and services required for technical assistance (“TA”) on the proposed Rail Information Technology Integration and Development project (“Project”) in Kazakhstan (“Host Country”).

1. USTDA Funding

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

2. Terms of Reference

The terms of reference for the TA (“Terms of Reference”) are attached as Annex I and are hereby incorporated by reference into this Grant Agreement. The TA will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the TA shall also be included in the Contract.

3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials and commercial entities in their respective countries. Therefore, USTDA, the Grantee, and the Contractor shall not directly or indirectly provide, offer or promise to provide money or anything of value to any public official in violation of any United States or Host Country laws relating to corruption or bribery.

4. Grantee Responsibilities

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

5. Contract Matters and USTDA’s Rights as Financier

(A) Grantee Competitive Selection Procedures

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

(B) USTDA's Right to Approve Contractor Selection

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

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

(1) Contract

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

(2) Amendments and Assignments

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

(D) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the Contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any Contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of U.S. Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the TA

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

(E) Grant Agreement Controlling

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

6. Disbursement Procedures

(A) USTDA Approval of Contract Required

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

(B) Contractor Invoice Requirements

The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the TA by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Contract 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. In the event that only one signature is dated, such date shall constitute the Effective Date.

8. TA Schedule

(A) TA Completion Date

The completion date for the TA, which is October 31, 2015, is the date by which the parties estimate that the TA will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (i) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the

Grant Agreement; and (ii) no USTDA funds may be disbursed more than four (4) years after the Effective Date of the Grant Agreement.

9. USTDA Mandatory Contract Clauses

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

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 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, non-U.S. citizens lawfully admitted for permanent residence in the United States or non-U.S. citizens lawfully admitted to work in the United States, except as provided pursuant to subpart (d) below;
- (d) up to twenty percent (20%) of the USTDA Grant amount may be used to pay for services performed by (i) Host Country subcontractors, and/or (ii) Host Country nationals who are employees of the Contractor;
- (e) a Host Country subcontractor may only be used for specific services from the Terms of Reference identified in the subcontract;
- (f) subcontractors from countries other than the United States or Host Country may not be used;

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

(h) goods and services incidental to TA support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions.

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

12. Taxes

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

13. USTDA Project Evaluation

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report, the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project. Inquiries will include, but not be limited to, whether the Final Report recommendations have been or will be used to implement the Project, anticipated Project implementation timeline, and likely source of financing. In addition, the Grantee agrees to notify USTDA any time the Grantee selects a new primary contact person for this Project during the five-year period referenced above.

14. Recordkeeping and Audit

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

15. Representation of Parties

For all purposes relevant to this Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by its IT Chief Engineer. 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: Savitskiy Insun Ivanovich
IT Chief Engineer
Address: Astana, 6 Konayev Street
Tel: +007 717 260 61 02
FAX: +007 717 260 61 00
Email: Savitskiy_I@Railways.kz

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: MENA_Europe@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.: 11 14/15 1001
Activity No.: 2014-21020A
Reservation No.: 2014298
Grant No.: GH201421298

17. Implementation Letters

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

18. Grant Agreement Amendments

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

parties.

19. Termination Clause

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

20. Non-waiver of Rights and Remedies

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

21. U.S. Technology and Equipment

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

22. Governing Law

This Grant Agreement shall be governed by, and construed in accordance with, the applicable laws of the United States of America. In the absence of federal law, the laws of the State of New York shall apply.

23. Counterparts

This Grant Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Counterparts may be delivered via electronic mail or other transmission method and any counterpart so delivered shall be deemed to be valid and effective for all purposes.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Government of the United States of America and "Kazakhstan Temir Zholy" JSC, 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 "Kazakhstan Temir Zholy" JSC

By: 

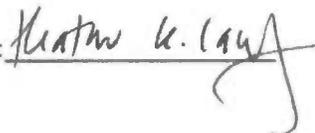
By: 

Date: September 29, 2014

Date: 29.09.2014

Witnessed:

Witnessed:

By: 

By: _____

Annex I – Terms of Reference

Annex II -- USTDA Mandatory Contract Clauses

Annex II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this Contract acknowledge that this Contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and "Kazakhstan Temir Zholy" JSC ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the technical assistance ("TA") for the Rail Information Technology Integration and Development project ("Project") in Kazakhstan ("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 S. 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 M below.

(2) USTDA Not a Party to the Contract

It is understood by the Contract Parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this Contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The Contract Parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval

rights shall be made as a financier in the course of financing the TA and shall not be construed as making USTDA a party to the Contract. The Contract Parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the Contract Parties or the parties to any subcontract, jointly or separately; and in consideration of USTDA's role as financier, the Contract Parties further agree that USTDA's rights may be exercised without thereby incurring any responsibility or liability, in contract, tort, or otherwise, to the Contract Parties or the parties to any subcontract. Any approval or failure to approve by USTDA shall not bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

C. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and professional services funded by USTDA under the Grant Agreement:

(a) the Contractor must be a U.S. firm;

(b) the Contractor may use U.S. subcontractors without limitation;

(c) employees of U.S. Contractor or U.S. subcontractor firms shall be U.S. citizens, non-U.S. citizens lawfully admitted for permanent residence in the United States or non-U.S. citizens lawfully admitted to work in the United States, except as provided pursuant to subpart (d) below;

(d) up to twenty percent (20%) of the USTDA Grant amount may be used to pay for services performed by (i) Host Country subcontractors, and/or (ii) Host Country nationals who are employees of the Contractor;

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

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

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

(h) goods and services incidental to TA support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions.

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

D. Recordkeeping and Audit

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

E. U.S. Carriers

(1) Air

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

(2) Marine

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

F. Workman's Compensation Insurance

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

G. 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 I below, and (ii) approved in writing by the Client in the manner provided for by Clause G(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 M below, or by e-mail to invoices@ustda.gov.

H. 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, N and S of the USTDA Mandatory Contract Clauses shall survive the termination of this Contract.

I. USTDA Final Report

(1) Definition

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

(2) Final Report Submission Requirements

The Contractor shall provide the following to USTDA:

(a) One (1) complete 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.

J. 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.

K. TA Schedule

(1) TA Completion Date

The completion date for the TA, which is October 31, 2015, is the date by which the Contract Parties estimate that the TA will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) no USTDA funds may be disbursed more than four (4) years after the Effective Date of the Grant Agreement.

L. Business Practices

The Contract Parties recognize the existence of standards of conduct for public officials and commercial entities in their respective countries. Therefore, the Contract Parties shall fully comply with all United States and Host Country laws relating to corruption or bribery. For example, the Contractor and its subcontractors shall fully comply with the

requirements of the Foreign Corrupt Practices Act, as amended (15 U.S.C. §§ 78dd-1 et seq.). Each Contract Party agrees that it shall require that any agent or representative hired to represent it in connection with the TA will comply with this paragraph and all laws which apply to activities and obligations of that Contract Party, including, but not limited to, those laws and obligations referenced above.

M. USTDA Address and Fiscal Data

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

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

Phone: (703) 875-4357
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Fiscal Data:

Appropriation No.:	11 14/15 1001
Activity No.:	2014-21020A
Reservation No.:	2014298
Grant No.:	GH201421298

N. 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.

O. 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.

P. 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.

Q. 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 damages that are natural, probable, and reasonably foreseeable as a result of a breach of this Contract, 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. If any clause included by the Contract Parties is inconsistent with either or both of these limitations, it shall be invalid and unenforceable to the extent of the inconsistency.

R. 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.

S. Reporting Requirements.

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

Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

ANNEX 5

Annex I

Terms of Reference

Objective

In order to assist the Grantee with the reorganization of its 14 subsidiaries into three departments (freight, passenger and infrastructure) this Technical Assistance (TA) will conduct a comprehensive review of the Grantee's current information technology (IT) and management information systems. This analysis shall provide an overview of all of the IT and information systems in place, options for modernization, a gap analysis and recommendations for deployment of IT systems. In addition, the Contractor shall conduct workshops that will familiarize the Grantee personnel with the types of software, their functionality and benefits. Using the results of the gap analysis and the workshops, the TA shall develop a financial analysis for the IT systems (including examining the financial impact of operational efficiencies) and an implementation and integration plan.

This implementation and integration plan shall enable the Grantee to consolidate its information systems and make investments to modernize and take advantage of its functional grouping into the three new departments. The TA shall also develop specifications for information technology and management systems for the Grantee. In addition, the TA shall design a future training and technology transfer program that will enhance the Grantee's familiarity with such systems and the full range of benefits they can provide, through 'hands on' experience for its employees.

All Deliverables, including task deliverables and the Final Report, shall be provided in the Russian and English languages.

Task 1: Kick Off Meeting

The Contractor shall perform the following:

- The Contractor shall travel to Kazakhstan to meet with the Grantee and other stakeholders to kick-off the TA.
- The Contractor and Grantee shall participate in a meeting in which the steering committee and primary counterpart staff will be introduced. The steering committee will be defined by the Grantee and will be made up of representatives from at least the following departments: Rail Operations, Track Maintenance, Mechanical Maintenance, Rail Accounting, Rail Marketing, and the Grantee's IT Department. The Grantee shall present the overall plan for restructuring the railway and need for improved information technology and management information systems.
- The Contractor shall outline their initial plans for data gathering, the proposed approach for identifying the Grantee's requirements, and approaches to be considered for developing the training program, including future selection of analysts/engineers for training.
- The Contractor shall develop and deliver a draft work plan for the TA. The Contractor and Grantee shall agree on a final work plan.

Deliverables(s): The Contractor shall provide a report detailing the kickoff meeting discussions, as well as the final approved work plan.

Task 2: Review of Current IT and Management Systems and Operating Practices; Gap Analysis

The Contractor shall review the current organizational structure of the subsidiary companies of the Grantee and the ongoing reorganization and/or restructuring. The Contractor shall also familiarize itself with the various IT systems used by each organization, including information systems made available by the Grantee to private rail car owners and to rail shippers as users of the Grantee's rail infrastructure and services.

The Contractor shall review the existing information technology and management systems for at least the following departments of the Grantee:

- Operations
- Passenger and freight
- Infrastructure
- Mechanical (locomotives and rolling stock)
- Marketing
- Accounting
- Procurement
- Human resources
- Communications and IT

Task 2.1 Interrelation Between Systems

The Contractor shall develop a flow chart to indicate the flow of information between the systems and the types and size of hardware used for this purpose.

Task 2.2: Determine the Information Systems Related to Regional Partner Railways

The Contractor, through discussions with Grantee personnel, shall determine how information, data and payments are transferred between railways in the region (foreign railways) and to private freight car owners.

Task 2.3: Existing IT and Management Systems Characterization

The Contractor shall summarize the existing IT and management systems in a report. Those systems that could be significantly improved or that do not exist shall be identified and briefly described. This information shall be translated and circulated in the form of a report and a presentation to the steering committee.

Task 2.4: Gap Analysis and Recommendation for Deployment of IT Systems

The Contractor shall perform a detailed gap analysis of the Grantee's existing IT and management systems and infrastructure as compared with a relevant, state of the art system based on: (1) the work performed in tasks 2.1-2.3; (2) the Contractor's assessment of the potential benefits to the Grantee of new or improved IT and management systems and infrastructure; (3) the Contractor's understanding of the Grantee's operations; and (4) the steering committee's feedback to be given in writing or through a meeting.

Based on this assessment, the Contractor shall prioritize the systems which, in principle, could be implemented on the Kazakhstan railway and recommendations for deployment of IT systems within the Grantee. These systems will be the subject of the workshops and the proposed training program.

Deliverable(s): The Contractor shall provide: a summary report on existing information technology and management systems of the Grantee; flowchart of information exchange and list of hardware; summary report on interrelation/data exchange with foreign railways; and a gap analysis report, including a recommendation for deployment of new IT systems within the Grantee.

Task 3: Workshops

The Contractor shall develop a series of workshops (at least six) taking into account the Grantee's current IT systems, the interrelationship between the departments and between their respective IT systems, their software systems, and technology available in the U.S., the Contractor shall develop a series of workshops. Workshops will emphasize what the software can do for the Grantee, including the functions and operational benefits of the software. To increase the effectiveness of these workshops, they will be subject-specific and the participants will consist of small groups of Grantee staff directly involved in the subjects presented.

The Contractor shall conduct individual workshops for at least the following departments: operations, infrastructure, mechanical, marketing and accounting. On average, the workshops should be at least half a day in length, but exact duration shall be determined by the Contractor based on information gathered in the previous tasks and in consultation with the Grantee.

During each of these workshops the Contractor shall discuss the type, skills, duration, and number of participants for the training program that would be required to be able to train Grantee staff so that they have the skill set to refine specifications and develop a formal

implementation plan. They will also determine measurable goals for the trainees and a Contractor for the following on, separately funded training program.

Deliverable: The Contractor shall provide a report on the workshops, including attendee lists, presentations delivered and key issues identified during the workshops. The Contractor shall define the software to be considered in the follow-on training program and agreed training goals.

Task 4: Design Training Program; and Create U.S. Suppliers List

Based on the findings in Tasks 2 and 3, the Contractor shall design a training program including the type, skills, duration and number of participants for the training programs. The Contractor shall develop an overview of the curriculum and modules of the training programs, which may resemble internships.

Based on the findings in Task 2 and 3, the Contractor shall identify U.S. suppliers and users of the IT and management systems relevant to the Grantee. The Contractor shall then have discussions with developers and/or users of the proposed IT and management systems regarding internships or training whereby trainees (two trainees for each group of systems) will spend an appropriate amount of time (as determined in the workshop) learning and working with these systems. In determining the training program, consideration shall be given to potential conflict of interests¹ and the hosts' or suppliers' proprietary or intellectual property interest in the software. Preference should be given for the training and familiarization to be performed by or in coordination with a limited number of railroads.

The Contractor shall explore options that will allow for training and/or familiarization with key IT systems used by American railroads, including potentially recommending that the Grantee join the Association of American Railroads as an associate member.

The Contractor shall make recommendations for the specific training program(s) and determine the timetable and budget which may include payment to the training host.

The Contractor shall prepare a list of prospective U.S. suppliers of IT system and other requirements for the Project. For each prospective U.S. supplier and training organization identified, the Contractor shall provide the contact name, titles and all contact information including telephone number, physical address and e-mail address.

Task 4.1: Training Implementation Plan and Budget

The Contractor shall develop a training implementation plan including a detailed terms of reference and budget for the overall training program.

¹ If the training will require software that is to be purchased through a competitive bidding process, the location and structure of the training should not preclude the host company or U.S. supplier from bidding on the planned purchase of the software.

Task 4.2: Financial Analysis and Training Funding

The Contractor shall prepare an estimate of the costs of deploying the recommended IT systems to be evaluated in the training program. The Contractor shall prepare an estimate of the financial benefits to the Grantee of implementing these IT systems. The financial benefit shall include reduced operational and maintenance costs and possible increases in revenue. Based on the financial costs and benefits, the Contractor shall develop a financial analysis of the deployment of the recommended IT systems within the Grantee.

Using this document, the Contractor shall discuss with the Grantee their willingness to contribute funding for the training and implementation planning.

The Contractor, in coordination with the Grantee, shall approach bilateral and multilateral funding agencies (i.e. World Bank, EBRD, USTDA and Asian Development Bank) and software suppliers to determine their interest to participate in the funding of the IT training program.

Deliverable: The Contractor shall deliver recommendations for the specific training program(s) with corresponding timetables and budgets; a training program terms of reference and budget, a financial analysis, and a report on prospective funding for the proposed training program.

Task 5: Draft Implementation Plan

Based on Tasks 1-4, the Contractor, in collaboration with the Grantee, shall develop an implementation plan that clearly outlines the anticipated next steps required to implement the recommended IT systems. This plan shall include steps related to implementing the proposed training program, as well as work in the areas of financing, executing contractual agreements for software acquisition and implementation.

The Contractor shall develop an IT integration strategy for deployment of the recommended systems within the Grantee's organization, including functional software specifications. The Contractor shall develop a tentative schedule in which milestones can be identified and achieved. The Contractor shall present a draft implementation plan, to the Grantee for review and comment.

The Contractor shall identify funding requirements by source and include, at a minimum, the following: project description, justification as required by funding source, budget, and schedule.

Deliverable: The Contractor shall prepare an Implementation Plan based on the work conducted during Task 5.

Task 6: Development Impacts Assessment

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

Infrastructure Development and Efficiency Gains: The Contractor shall estimate the dollar value of new IT technologies introduced that will result in an increase in efficiency and productivity of Grantee railway operations.

Human Capacity Building: The Contractor shall estimate the number of short term and long term jobs created as a result from Project implementation. In addition, the Contractor shall estimate the number of Grantee staff that would receive training as a result of implementation of the TA recommendations, including training provided during procurement and deployment of IT and management systems.

Promoting Effective Markets and Governance: The Contractor shall estimate the amount of financing that would be facilitated by the TA, including potentially from multilateral development banks.

Promoting Environmental Benefit: The Contractor shall estimate the reduction in greenhouse gas emissions in tons of CO₂ equivalent resulting from implementation of IT systems that lead to lower fuel and power requirements.

Promoting Safety and Security: The Contractor shall examine whether the Project will result in enhanced railway safety and benefits from increased safety-related IT and management systems, such as a proposed situational awareness center with a dashboard of key indicators/metrics for senior management focused primarily on safety.

Deliverable: The Contractor shall prepare a report on the developmental impacts of the Project.

Task 7: Final Report

The Contractor shall write a draft final report and shall provide it to the Grantee for comments. The Grantee's comments shall be received either in writing or at a presentation of the report will be incorporated during the subsequent writing of the Final Report.

The Contractor shall prepare and provide to the Grantee and to USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement. The Final Report shall contain an executive summary. In addition to any other required deliverables in accordance with Clause I of Annex II of the Grant Agreement, the Contractor shall provide both the Grantee and USTDA with 6 copies (each) of the final report on CD-ROM. The CD-ROM version of the Final Report shall include:

- Adobe Acrobat readable copies of all documents; and
- Source files for all documents in MS Office 2000 or later formats.

ANNEX 6



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

U.S. Firm Information Form

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

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

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.

Type of Ownership	Publicly Traded Company
	Private Company
	Other (please specify)

Please provide a list of directors and principal officers as detailed in Attachment A. Attached? (Not Applicable for U.S. Publicly Traded Company)	Yes
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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(ies). In addition, for any parent identified, please complete Attachment B.

Is the U.S. Firm proposing to subcontract some of the proposed work to another firm?	Yes
	No

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

Project Manager

Name	Surname	
	Given Name	

Address

Telephone

Fax

Email

Negotiation Prerequisites

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

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

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

U.S. Firm's Representations

U.S. Firm shall certify to the following (or provide an 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. **(U.S. publicly traded companies need not include Articles of Incorporation or Good Standing Certificate)**
3. Neither the U.S. Firm nor any of its directors and 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 directors and principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the U.S. Firm. The U.S. Firm, has not, within the three-year period preceding the submission of this proposal, been notified of any delinquent federal or state taxes in an amount that exceeds US\$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
6. The U.S. Firm has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself of its debts under any bankruptcy, insolvency or other similar law. The U.S. Firm has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.
7. The U.S. Firm certifies that it complies with USTDA Nationality, Source, and Origin Requirements and shall continue to comply with such requirements throughout the duration of the USTDA-funded activity. The U.S. Firm commits to notify USTDA and the Grantee if it becomes aware of any change which might affect U.S. Firm's ability to meet the USTDA Nationality, Source, and Origin Requirements.

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

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

Name		Signature	
Title			
Full Legal Name of U.S. Firm		Date	



ATTACHMENT B

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

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

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

USTDA Activity Number [To be completed by USTDA]	
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Activity Title [To be completed by USTDA]	
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Full Legal Name of U.S. Firm	
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Full Legal Name of Shareholder	
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Business Address of Shareholder (street address only)	
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Telephone number		Fax Number	
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Year Established (include any predecessor company(s) and year(s) established, if appropriate). Please attach additional pages as necessary.	
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Country of Shareholder’s Principal Place of Business	
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Please provide a list of directors and principal officers as detailed in Attachment A. Attached?	Yes
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Type of Ownership	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.	
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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.	
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Shareholder may attach additional sheets, as necessary.



ATTACHMENT C

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

Subcontractor Information Form

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

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

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

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

Subcontractor Point of Contact

Name	Surname	
	Given Name	

Address

Telephone

Fax

Email

Subcontractor's Representations

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

1. Subcontractor is a <i>[check one]</i>	<input type="checkbox"/> Corporation	<input type="checkbox"/> LLC	<input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Other
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duly organized, validly existing and in good standing under the laws of: .

2. 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.
3. Neither the subcontractor nor any of its directors and 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.
4. Neither the subcontractor, nor any of its directors and principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
5. 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.
6. 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.
7. The Subcontractor certifies that it complies with the USTDA Nationality, Source, and Origin Requirements and shall continue to comply with such requirements throughout the duration of the USTDA-funded activity. The Subcontractor commits to notify USTDA, the Contractor, and the Grantee if it becomes aware of any change which might affect U.S. Firm's ability to meet the USTDA Nationality, Source, and Origin Requirements.

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

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

Name	<input type="text"/>	Signature	<input type="text"/>
Title	<input type="text"/>		
Full Legal Name of Subcontractor	<input type="text"/>	Date	<input type="text"/>