

DS SCOPE OF WORK AND REPORT OUTLINE

Desk Study on China Low NOx Boiler Emission Reduction Scope of Work

Overview

The U.S. Trade and Development Agency (USTDA) is a foreign assistance agency that delivers its program commitments through grants and contracts. The projects supported by USTDA activities represent strong and measurable development priorities in the host country and offer opportunities for the sale of U.S. goods and services. Requests for USTDA assistance are made by either public or private sector project sponsors for implementation in developing and middle income countries.

USTDA requires services under this non-personal services Contract to support or improve its decision-making relative to the funding of a project or activity in a developing or middle-income country. The Contractor shall provide a report (a “Business Confidential Analysis and Recommendation”) to USTDA, which will:

- Assess and justify whether or not USTDA should provide funding for the proposed study, technical assistance or other trade capacity building activity, herein after referred to as “study,” and
- Provide supporting analysis and recommendation on the above information in a final report that analyzes all the relevant issues.
- In addition, the Contractor shall assess the potential of the relevant market sector in the host country for U.S. suppliers of goods and services in a Public Market Report suitable for public distribution.

Specifically, USTDA has received a request for funding from Beijing Environment Protection Bureau in China for a feasibility study to be conducted by a U.S. firm on the Low NOx Boiler Emission Reduction project. In support of that request, USTDA has received a detailed proposal from the U.S. firm to perform the Study. USTDA is now considering whether to provide funding for this study.

The Contractor’s recommendations shall be based upon USTDA funding criteria, which are that the project must: (1) be likely to receive implementation financing, and in addition, have a procurement process that provides “equal access” to U.S. firms; (2) represent an opportunity for sales of U.S. goods and services that is many times greater than the initial investment of USTDA assistance; (3) be a development priority of the project sponsor and country where the project is located and have the endorsement of the U.S. Embassy in that nation, and (4) involve U.S. companies that are facing market entry problems and/or strong competition from foreign companies which often receive subsidies and other support from their governments.

USTDA intends to contract with a U.S. firm (Contractor) to perform a Desk Study to assess: (1) whether or not the project meets USTDA’s basic funding criteria (above); (2) recommend the appropriate Terms of Reference (TOR) for the study; and (3) develop an appropriate budget for the TOR recommended for the study.

The Desk Study Contractor shall also be required to project's viability, evaluate the proposed terms of reference and budget estimate for the project, and confirm U.S. industry competitiveness and foreign competition.

The Contractor shall submit all deliverables under this contract to the Contracting Officer's Representative (COR) on or about **September 30, 2014**. The Period of Performance for this Contract shall be eight months from the date of the Contracting Officer's signature on the Contract.

Project Profile

Beijing's air pollution has deteriorated significantly in recent years: in 2013 there were 189 polluted days; in January 2013, Beijing's air quality measured a PM2.5 density of 886 micrograms per cubic meter, a level off the scale on the U.S. Environmental Protection Agency's air quality index; and from January – February 2014 the concentration of toxic small particles reached a level 26 times higher than that considered safe by the World Health Organization. The Beijing government has devised a plan to reduce air pollution, and identified NOx pollutants from industrial production as a major source of PM2.5 pollution and photochemical smog. To this end Beijing has made an effort to replace coal-fired boilers with lower emitting natural gas boilers. The new regulations propose reducing NOx emissions for industrial boilers with capacity up to 65t/h to 60mg/Nm³ beginning on July 1, 2014, but by April 1, 2016, all new boilers must reduce emissions to 30mg/Nm³ and all existing boilers must limit NOx emissions to 60mg/Nm³.

This Desk Study would review a preliminary sole-source concept proposal for a feasibility study to demonstrate the efficiency and effectiveness of U.S. firms' low nitrogen oxide (NOx) boiler technology in meeting stringent NOx emission requirements. The proposed grantee is the Beijing Environmental Protection Bureau, which is implementing the second-strictest NOx limits in the world behind the United States. The new NOx emission standards will require reducing emissions for NOx industrial boilers of 65 tons/hour (t/h) and below to less than 60 micrograms per cubic meter (mg/Nm³) starting July 1, 2014, with full implementation in September 2014 and further emissions reductions in 2016. Many Chinese companies are switching to low NOx burners now in order to comply with the new regulations well ahead of the deadline, representing a significant opportunity for U.S. firms.

A DS contractor is needed to assess the project's viability, evaluate the proposed terms of reference and budget estimate for the project, and confirm U.S. industry competitiveness and foreign competition.

Methodology

In the course of carrying out this Desk Study, the Contractor must take the following steps:

1. After reviewing the proposal, contact the COR at (703) 875-4357 to discuss initial observations and raise any questions or concerns about the proposal and the project. At this time, USTDA will provide the Contractor with additional guidance on agency requirements for the preparation of Terms of Reference and budgets. The Contractor shall also consult with USTDA's Evaluations Department regarding the drafting of host country development impact

measures for the Desk Study Final Report (see Attachment 1 below, Section L.7 of the Business Confidential Analysis and Recommendation Outline).

2. Review the proposal in detail and, if necessary, request additional information or clarifications from the U.S. firm. A copy of any such request should be provided to the COR.

3. Based on the proposal and any additional information or clarifications provided by the U.S. firm, prepare and provide to the COR a first draft report (fax or email attachment is acceptable) within three weeks of receipt from USTDA Contracting Officer of notice of contract award. The draft report must be clearly marked "First Draft" on the cover. If it is anticipated that the draft cannot be provided within three weeks, immediately contact the COR] to discuss the reasons for the delay. USTDA will review the first draft report and provide comments.

4. Provide to USTDA and to the U.S. firm for its review and comment a second draft report, which incorporates USTDA's comments on the first draft report (again, fax or email attachment is acceptable) within one week of receipt of USTDA's comments. This draft report must be clearly marked "Second Draft" on the cover. The U.S. firm will provide its comments on the second draft report to the Contractor.

5. The Contractor shall discuss the comments from the U.S. firm with the COR and, based on that discussion, prepare and provide to USTDA within one week a Final Report. One (1) original bound hard copy of the Final Report (fax is **not** acceptable), an electronic version of the Final Report (preferably on CD-ROM), along with an invoice, must be provided to USTDA. The Final Report shall be grammatically correct and free of typographical errors. Any hard copies of project proposal materials must be returned to USTDA at this time.

Deliverables

The Contractor shall review the proposal and provide to USTDA a Final Report, including the following two (2) separately-bound sections to USTDA:

- (a) One (1) Business Confidential Analysis and Recommendation. The Business Confidential Recommendation **must** conform to the outline found in Attachment I and provide the requested information and analysis, unless otherwise agreed in writing by USTDA.
- (b) One (1) Public Market Report. The Public Market Report **must** conform to the outline found in Attachment II and, unless otherwise agreed in writing by USTDA, provide the requested information and analysis in sufficient market detail to be useful to prospective equipment and service providers. USTDA anticipates that much of this information will also form a part of the Business Confidential Analysis and Recommendation. However, as this report may be widely distributed by USTDA, it must not contain any confidential information.

Note that USTDA may publish the Contractor's Public Market Report on its website and/or in other media. Contractor shall ensure that Public Market Report is suitable for publication.

Confidentiality

The proposal of the U.S. firm is a proprietary document and should not be distributed without permission from USTDA and the U.S. firm. The Contractor shall treat any proposal and supporting information submitted by a U.S. company as business confidential in its entirety, unless otherwise stated in writing by the company. Contractor shall not include any business confidential information in the Public Market Report and shall include the following confidentiality certification in the final invoice:

“I hereby certify that the Public Market Report contains no business confidential information.”

Impartiality

It is essential that the Desk Study be conducted with complete impartiality and objectivity and that the Contractor and its Subcontractors not obtain an unfair competitive advantage in USTDA-funded activities resulting from this contract. In accordance with the principles of FAR Subpart 9.5 and USTDA policy, the Contractor and its Subcontractors, if any, for this contract shall be ineligible to compete for, as a prime or subcontractor or otherwise, USTDA-funded activities that result from this contract, unless USTDA through its Contracts Office, shall have granted a waiver, based upon FAR 9.503, that preclusion of the Contractor or its Subcontractors from the follow-on activity would not be in the Government’s interest. This restriction shall remain in effect for three (3) years from the termination of this contract. The Contractor is responsible for including this restriction in all subcontracts under the contract.

Attachment I

Desk Study: Business Confidential Recommendation Outline

A. Executive Summary.

An executive summary of the report's findings and recommendations.

B. Project Description.

A brief description and history of the project, including, among other things, host country and/or other project sponsors, sector, project location, source of raw materials, infrastructure requirements, proposed technological approach, legal and regulatory framework (licenses, permits, etc.), implementation schedule, economic fundamentals (estimated capital cost, operating costs, interest expense, taxes, expected revenues, etc), the specific objectives of the proposed study, any other variables or issues the Contractor deems critical as part of a thorough activity/project evaluation.

C. Project Sponsor's Capabilities and Commitment.

A description of the host country project sponsor's business/government operations or authority and an assessment of the project sponsor's commitment and ability to implement the project. This should include a description of the project sponsor's previous commitments, responsiveness, business activities, and government mandate.

D. Implementation Financing.

A review of the financing options for project implementation, including an assessment of the overall cost estimate of the project and, for projects involving potential U.S. equity investment, the project's proposed debt-equity structure to ensure that it corresponds to the requirements of the prospective lenders (this aspect is critical to USTDA's decision making). As part of this review, the Contractor is required to contact officials from the potential financing institutions, including, where appropriate, multilateral lending institutions, Ex-Im Bank, OPIC and private/commercial sources, to assure that the project sponsors have adequately explored their financing options. The Contractor shall provide names and phone numbers of contacts at the potential lending institutions and summarize their comments. The Contractor must determine the most likely source(s) of implementation financing and ensure that the terms of reference for the study fulfill the requirements of the most likely source(s), or suggest appropriate revisions to ensure that they do.

E. U.S. Export Potential.

A best estimate of potential procurement of U.S. goods and services for project implementation. This estimate should be supported by a breakdown by category and dollar value of goods and services likely to be imported for the project and an illustrative list of potential U.S. suppliers of the goods and services for those goods and services listed as likely U.S. exports. A report of discussions with a reasonable number of U.S. companies that could be exporters, and their level of interest in the project should also be included.

F. Foreign Competition and Market Entry Issues.

A discussion of the foreign competition for goods and services likely to be procured for project implementation by category, including a discussion of U.S. industry competitiveness in each category, taking into account geographic factors, local industry capabilities, technology and licensee issues, past procurement tendencies of the project sponsor, and how the procurement is likely to be conducted. Where relevant, the Contractor shall discuss the extent to which market entry issues impede trade and how the project will help overcome these obstacles.

G. Developmental Impact.

The DS Contractor shall discuss the most important benefits that the project will provide to the host country. Items of primary interest to USTDA include: Infrastructure (including any positive environmental impacts); Human Capacity Building (including jobs and training); Technology Transfer and Productivity Improvements; and Market Oriented Reforms. Other host country economic development benefits such as financial revenue enhancements, increased good governance and others should also be mentioned where appropriate (For more detail see the Guidance on USTDA Development Impact Measures in Annex VI below).

H. Impact on the Environment.

A statement regarding the likely consequences the proposed project may have on the environment and ensure that the Terms of Reference for the study include, at a minimum, a preliminary review of the project's impact on the environment, with reference to local requirements and those of potential lending agencies. The study should identify potential negative impacts and discuss the extent to which they can be minimized.

I. Impact on U.S. Labor.

An assessment of the impact of the project on U.S. labor addressing the legislative prohibitions on the use of Foreign Assistance funds described in Annex I.

J. Qualifications.

A review of the capabilities of the U.S. company submitting the proposal and the qualifications of the proposed study team.

K. Justification.

An evaluation of the explanation of why USTDA's grant funding is needed, including a description of how the project would support U.S. government policy priorities and promote trade, how USTDA's participation would add value to the project's development, and how the success of the project would be measured in terms of trade capacity and development impact.

L. Terms of Reference.

A review of the appropriateness of the Terms of Reference (TOR) and budget for the study. If necessary, provide suggested revisions to the TOR and budget to conform to USTDA's

requirements. The TOR, which must be endorsed by the project sponsor, shall include, at a minimum, the following:

1. **Purpose and objective of the study.** This section should contain a concise statement.
2. **A technical assessment.** This section should include relevant background information that is pertinent to the technology selection.
3. **An economic analysis of the project.** This section will usually include a cash flow analysis, attention to market conditions, raw material availability, supply agreements, off-take agreements, and competing alternative methods of achieving the same or similar project objectives.
4. **A financial analysis of the project.** This section should consider the availability of equity and debt financing as well as the views of potential public and private financing organizations, such as the World Bank, relevant regional multilateral development bank(s), Ex-Im and OPIC.
5. **An appropriate environmental analysis of the project.** A preliminary review of the project's anticipated impact on the environment with reference to local requirements and those of multilateral lending agencies (such as the World Bank). This review would identify potential negative impacts, discuss the extent to which they can be mitigated, and develop plans for a full environmental impact assessment if and when the project moves forward to the implementation stage. This includes the identification of steps that will need to be undertaken by the project sponsor subsequent to the study's completion and prior to project implementation.
6. **A review of regulatory issues related to the project.** This should include a discussion of any regulations that would impact the project's viability or prognosis to move forward.
7. **An analysis of key host country development impacts.** (Infrastructure, Human Capacity Building, Technology Transfer and Productivity Improvement and/or Market-Oriented Reform). These Development Impact factors are intended to provide the project's decision-makers and interested parties with a broader view of the project's potential effects on the Host Country.

The analysis shall focus on what Development Impact is likely if the project is implemented according to the study recommendations. While specific focus shall be paid to the immediate impact of the project, analysis shall include any additional developmental benefits that may result from the project's implementation, including spin-off and demonstration effects.

Accordingly, the analysis shall be an assessment of each of the following categories with respect to the project's potential Development Impact:

(1) Infrastructure: Provide a statement on the infrastructure impact, giving a brief synopsis. For example, "The project would result in the construction of a power plant that would provide 500MW of power. This plant would serve ___ [number] additional households in ___ [area]."

(2) Market- Oriented Reform: Provide a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.

(3) Human Capacity Building: Assess the number and type of local positions that would be needed to construct and operate the proposed project, as well as the number of local people who would receive training; describe such potential training program.

(4) Technology Transfer and Productivity Enhancement: Provide a description of any advanced technologies that would be utilized as a result of the project. A description of any efficiency that would be gained (e.g. "By upgrading the power plant's old boilers, efficiency will be increased from x% to y%").

(5) Other: Describe any other developmental impacts or benefits that would result from the project, for example, follow-on or replication projects, safer workplace, increased good governance or improved financial revenue flows to the Host Country.

For specific information regarding USTDA's Development Impact goals and measures, please contact the COTR at USTDA, or see the Guidance on USTDA Development Impact Measures in Annex VI below.

8. **U.S. sources of supply.** While aiming at optimum specifications and characteristics for the project, there shall be an assessment of the availability of potential U.S. sources of supply. Business name, point of contact, address, telephone, e-mail, and fax numbers shall be included for each source.
9. **An implementation plan** (anticipated next steps necessary to implement the project), and
10. **Final Report.** The FS/TA Contractor shall prepare and provide to the Grantee and to USTDA a Final Report in accordance with Clause ___ of Annex II of the Grant Agreement. Each of the above tasks in this Terms of Reference must be distinctly set forth in the Final Report in a substantive and comprehensive manner, and shall include all corresponding deliverables. The Final Report shall contain an executive summary. In addition to any other required deliverables in accordance with Clause ___ of Annex II of the Grant Agreement, the Contractor will

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 will include:

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

The TOR must be designed to meet the requirements of the most likely source(s) of implementation financing. The requirements of some of the potential financing sources may be found at the following web sites:

www.opic.gov/finance.home.html

www.exim.gov/tools.index.html

www.ifc.org/proserv

www.adb.org/PrivateSector/finance/default.asp

www.ebrd.com/applyindex.html

www.iadb.org

www.afdb.org/opportunities/business_generic_proc_notices_country.htm

STUDY BUDGET (2-3 PAGES)

Study Budget Format

The DS Contractor shall provide a detailed budget that is divided into three parts: a line item budget and task breakdown (Annex III), a Task Completion Schedule (Annex IV), and a budget narrative (Annex V). All costs in the budget should be reasonable and allocable to the work being performed, and should support the study TOR. The budget should be supported with sufficient detail to enable USTDA staff or others reviewing the material to understand completely, not only the budgeted amounts, but also the methodology that justifies the budget amounts. The budget should be provided in accordance with the format in Annex III and should include:

- Labor, budgeted by position title and task for each of the positions on the study team. Positions should be identifiable, with descriptions of the positions and proposed team members included in the proposal. Person-Days should reflect the proposed number of days of work effort proposed for each position for each task. The labor cost shall be derived as set forth in Annex III. The proposed budget may not include fee or profit.
- Itemization for per diem, transportation, communications, purchased services/contracts, translation of Final Report, and other direct costs. Per diem must be based on U.S. Government rates, which are available on the State Department web site (<http://www.state.gov/m/a/als/prdm/>).

The Task Completion Schedule should list each major task to be performed in support of the study TOR. The duration of each task is to be graphically presented in a bar chart as illustrated in Annex IV.

The budget narrative should provide a detailed budget explanation and justification presenting how all costs have been derived in accordance with the sample provided in Annex V. The narrative must include an explanation for every line item. In general, each narrative statement should describe, in as much detail as possible:

- What the specific item is
- How the specific item relates to the project
- How the amount shown in the budget was arithmetically determined

M. Recommendations.

Provide recommendations as to:

1. Whether or not the project meets USTDA's basic funding criteria;
2. The appropriate TOR for the proposed study; and
3. The appropriate budget for the TOR recommended for the proposed study.

If the recommendation is that USTDA should fund the study, but in a phased approach or only if certain outstanding issues are resolved or conditions met, those phases, issues or conditions should be clearly delineated in the recommendation.

N. Contacts.

A list of individuals contacted during the Desk Study with their addresses, phone and fax numbers, and e-mail addresses.

Attachment II

Desk Study: Public Market Report Guidance and Outline

Contractor Guidance:

Through the publishing of Public Market Reports, USTDA seeks to better fulfill its mission of creating U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. The Public Market Reports will share current market information in the country and sector considered under this DS (rather than the project-specific analysis contained in the Business Confidential Recommendation) with U.S. industry, to better enable U.S. companies to assess and pursue export opportunities. As such, the Public Market Reports include the sections of the DS Consultant's research most likely to be of use to U.S. firms considering the market. At the discretion of USTDA, the Public Market Reports may be made available on USTDA's website and may be the subject of USTDA alerts or be referenced in outreach USTDA conducts to industry.

In keeping with the public nature of this document, the Contractor must include in the Public Market Report, as appropriate, a list of sources and citations for the information contained in the report.

Outline:

A. Executive Summary.

An executive summary of the relevant country and sector and its U.S. export potential.

B. Market in the Sector and Host Country

Background information on the relevant country and sector covered by the study. This information shall include current market conditions including existing or expected sector regulations, projected investments in the sector, identification of the major stakeholders, growth trends and other factors useful to U.S. suppliers considering the market.

C. U.S. Export Potential.

A best estimate of the potential procurement of U.S. goods and services in the sector and relevant country in the study. This estimate should be supported by a breakdown by category and dollar value of goods and services likely to be imported in the sector and an illustrative list of potential U.S. suppliers of the goods and services for those goods and services listed as likely U.S. exports. Those suppliers that have expressed interest in the country's sector should be identified.

D. Foreign Competition and Market Entry Issues.

A discussion of the foreign competition for goods and services likely to be procured in the host country in the considered sector by category, including a discussion of U.S. industry competitiveness in each category, taking into account geographic factors, local industry capabilities, technology and licensee issues, past procurement tendencies of the project sponsor,

and how the procurement is likely to be conducted. Where relevant, the Contractor shall discuss the extent to which market entry issues impede trade.

Annex I

IMPACT ON U.S. LABOR STATEMENT

The Foreign Operations, Export Financing and Related Programs Appropriations legislation restricts U.S. foreign assistance from being used to provide: (a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States; (b) assistance for any project or activity that contributes to the violation of internationally recognized workers rights; and (c) direct assistance for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

Annex II

USTDA Nationality Requirements

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

Award is limited to U.S. firms or U.S. individuals. Contractor and U.S. subcontractor employees used shall be either U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the United States. Contractor use of subcontractors is limited to less than fifty percent of the proposed price. International transportation and insurance must have their nationality, source and origin in the United States. Local lodging, food, and transportation in the host country are not subject to this restriction.

Nationality:

Definitions

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

A "U.S. consultant" is (a) a U.S. citizen whose principal place of business is in the United States, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the United States (a green card holder) whose principal place of business is in the United States.

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

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

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

Annex III

Required Budget Format

DIRECT LABOR COSTS:

<u>TOR Task</u>	<u>TOR Task Name</u>	<u>Primary Contractor (Employee) Labor</u>		
		<u>Total Person Days</u>	<u>Daily Rate*</u>	= <u>TOTAL COST</u>
I	Task _____	(Position A) _____	_____	_____
		(Position B) _____	_____	_____
		TOTALS:	_____	_____

<u>TOR Task</u>	<u>TOR Task Name</u>	<u>Non-Employee Labor</u>		
		<u>Total Person Days</u>	<u>Daily Rate**</u>	= <u>TOTAL COST</u>
I	Task _____	(Position A) _____	_____	_____
		(Position B) _____	_____	_____
		TOTALS:	_____	_____

TOTAL DIRECT LABOR COSTS: _____

OTHER DIRECT COSTS:

<u>Purchased Services/Contracts***</u>	<u>Tasks</u>	<u>TOTAL COST</u>
_____	_____	_____
_____	_____	_____

<u>Travel</u>	<u>Trips</u>	<u>Trip Cost</u>	<u>TOTAL COST</u>
International Air Travel	_____	_____	_____
In Country Air Travel	_____	_____	_____
Ground Transportation	_____	_____	_____

	<u>Trip Days</u>	<u>Per Diem Rate</u>	<u>TOTAL COST</u>
Per Diem	_____	_____	_____
Other (local travel, etc.)	_____	_____	_____
Interpreters	_____	_____	_____

<u>Other</u>	<u>TOTAL COST</u>
Reproduction and Binding	_____
Courier Services	_____
Visa Services	_____
Communication	_____

TOTAL OTHER DIRECT COSTS: _____

TOTAL COSTS (DIRECT LABOR COSTS + OTHER DIRECT COSTS): _____

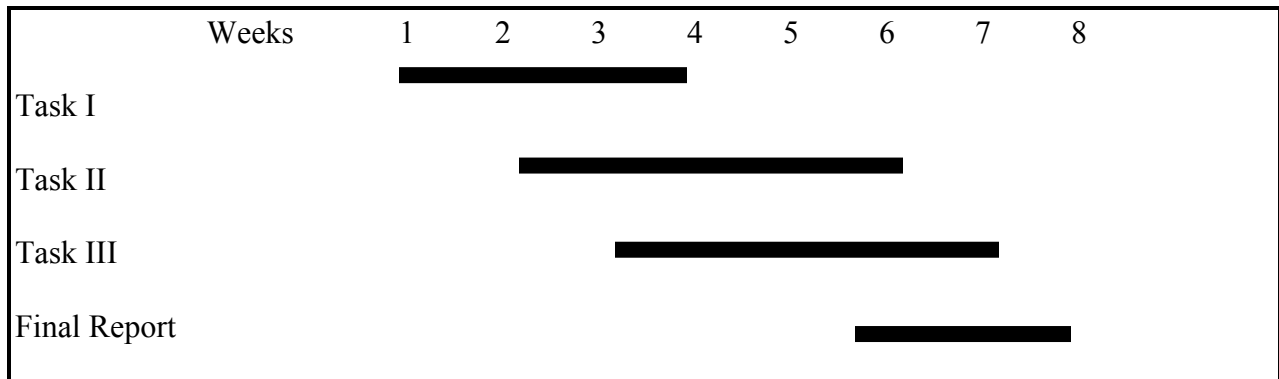
TOTAL U.S. COMPANY COST SHARE: _____

PROPOSED USTDA GRANT:

* Primary Contractor (Employee) Labor Costs = Salary + Overhead + Benefits (no fee or profit).
 ** Non-Employee Labor Cost = Salary + Overhead + Benefits + Reasonable Fee or Profit.
 *** Purchased Services/ Contracts may include engineering drawings, lab work, surveys, translation, etc., which would not be included in Non-Employee Labor Cost above.

Annex IV

Task Completion Schedule



Instructions

List each major task to be performed. The duration of each task is to be graphically represented. For example, in the illustrative schedule, Task 1 is to begin in Week 1 and end in Week 4. Preparation of the Final Report begins in Week 6 and is completed in Week 8.

Annex V

BUDGET NARRATIVE REQUIREMENTS

DIRECT COSTS

Direct Labor - Only salaries and wages for employees of the proposing organization should be identified here. Provide the job title; the names of the individuals, if known; the experience and training that describes the individual's capabilities for the project and supports the proposed daily rate; and an explanation of how the individual will support the Terms of Reference. For each, provide the mathematics for how the loaded rate was developed.

Examples:

Project Manager/Senior Engineer – This individual will provide necessary guidance and support to the project to ensure successful completion of the System Design and oversee the completion of the Terms of Reference. The proposed individual has 15 years experience managing telecommunications projects. It is estimated that 130 days will be required at a daily rate of \$1455. The rate was calculated with a base salary of \$776 a day and includes a fringe benefit rate of 25% and an overhead rate of 50%.

Junior Engineer – This individual will work with the Senior Engineer to develop the system design and provide documentation for the feasibility study. It is estimated that 75 days will be required at a daily rate of \$728 a day. The rate was calculated with a base salary of \$388 a day and includes a fringe benefit rate of 25% and an overhead rate of 50%.

Other Direct Labor – Consultants and other Non-Employee Labor should be identified here. Provide the job title; names of the individuals, if known; primary organization affiliation, if applicable; experience and training that describes the individual's capabilities for the project and supports the proposed daily rate; and a justification of how the individual will support the Terms of Reference. For each, provide the mathematics for how the loaded rate was developed.

Example:

Independent Consultant – This individual will develop questionnaires and surveys to gather data from local participants and officials for the marketing plan. The individual will have experience developing and administering questionnaires and knowledge of the host country. It is estimated that 30 days will be required at a daily rate of \$577 a day. The rate was calculated with a base salary of \$300 a day and includes a fringe benefit rate of 30% and an overhead rate of 45%. A small profit/fee may be added, if justified.

OTHER DIRECT COSTS

Purchased Services/Contracts –

For each purchased service or contract, include a clear description of the work to be performed as it relates to the Terms of Reference and a separate detailed budget for each. If the contractor or vendor is known, provide a basis for selection.

Examples:

Translation Services – A translation service provider will be hired to translate the final report. It is estimated that 1000 pages will be translated at \$1.00 a page. The budget estimate is based on actual costs to translate similar documents in the past.

ABC Marketing, Inc. – This contractor was selected because they have 10 years experience developing marketing plans with significant experience in the host country. ABC Marketing will develop the marketing plan utilizing the data collected from questionnaires and surveys. Attached is ABC Marketing’s detailed budget of \$15,324.

Domestic and Foreign Travel

Include the destination and its relationship to the project and the Terms of Reference. Itemized costs must be included for each trip.

Examples:

The Project Manager/Senior Engineer and the Junior Engineer will travel to the host country for the Kick-Off Meeting and two subsequent trips for System Design Work. The Independent Consultant will travel to the host country for the Kick-Off Meeting and two subsequent trips for collection of data for the Marketing Plan.

One Kick-Off Meeting to be attended by the Project Manager/Senior Engineer, Junior Engineer, and Independent Consultant

Roundtrip Airfare (Economy Class): $\$2,973/\text{per Trip} \times 3 \text{ People} = \$8,919$

Per Diem: $\$182 \times 10 \text{ days} \times 3 \text{ People} = \$5,460$

Local Transportation: $\$250/\text{trip} \times 9 \text{ Trips} = \$2,250$

Transportation to/from Airport: $\$100/\text{Trip} \times 4 \text{ Trips} = \200

Two System Design Trips (10 days each) for the Project Manager/Senior Engineer and Junior Engineer

Roundtrip Airfare (Economy Class): $\$2,973 \times 2 \text{ Trips} \times 2 \text{ People} = \$11,892$

Per Diem: $\$182 \times 2 \text{ Trips} \times 10 \text{ days} \times 2 \text{ people} = \$7,280$

Local Transportation: $\$250/\text{trip} \times 18 \text{ Trips} = \$4,500$

Transportation to/from Airport: $\$100/\text{trip} \times 4 \text{ trips} = \200

Two Data Gathering Trips for the Marketing Plan (10 days each) for the Project Manager/Senior Engineer and Independent Consultant

Roundtrip Airfare (Economy Class): $\$2,973 \times 2 \text{ Trips} \times 2 \text{ People} = \$11,892$

Per Diem: $\$182 \times 2 \text{ Trips} \times 10 \text{ days} \times 2 \text{ people} = \$7,280$

Local Transportation: $\$250/\text{trip} \times 18 \text{ Trips} = \$4,500$

Transportation to/from Airport: $\$100/\text{trip} \times 2 \text{ trips} = \200

Other Expenses

Other expenses may include such items as reproduction, publishing costs, and telephone calls. Provide a detailed explanation for each as to how it relates to the Terms of Reference and include calculations on how the numbers have been derived.

Example:

Reproduction of the Final Report – Eight copies of the final report will be reproduced and bound in accordance with the final report specifications provided by USTDA.

Reproduction: 1000 Pages X \$.10/per Copy X 8 Copies = \$800

Binding and Final Report Specifications: \$20/per Copy X 8 Copies = \$160

Guidance on USTDA Development Impact Measures

USTDA has a dual mission of promoting US exports and advancing economic development in the host country. USTDA would like to re-emphasize the Agency's developmental mandate. Toward this goal, the Agency is collecting more detailed information regarding the impact of its activities on the economic development of the host country.

What does USTDA mean by Development Impact?

USTDA's activities impact host country economic development in a variety of ways. There are four primary categories that are tracked and measured. However, the Agency recognizes that there are additional ways that activities can benefit the host country. Therefore, study contractors are encouraged to address any significant benefits.

Category	Explanation
Infrastructure	USTDA funds feasibility studies of and technical assistance for many critically important infrastructure projects such as power plants, roads, ports, airports, telecommunications systems, water and sewerage systems or environmental improvements or enhancements, as well as projects such as refineries and manufacturing plants. Implementation of these projects contributes to the improvement and security of the physical, financial and social infrastructure of the developing world.
Market-Oriented Reform	Many USTDA activities have as a primary objective the facilitation of market-oriented reforms in developing countries. These reforms include encouraging more transparent regulatory systems and institutions, privatization of state-owned economic entities, promotion of greater competition in non-competitive economic sectors, lowering of non-tariff barriers to trade, strengthening of intellectual property rights and modernizing international trade systems and regulations.
Human Capacity Building	When implemented, the Agency's projects often create new job opportunities, sustain employment for those in jeopardy of losing jobs and/or offer advanced training to upgrade the capability of the work force. USTDA considers a project to have Human Capacity Building impact if ten or more jobs are created and/or ten or more people receive significant training.
Technology Transfer and Productivity Improvement	The Agency's projects result in the introduction of advanced technologies (e.g. management information systems or process technologies) or licenses that improve processes and/or systems, resulting in greater economic productivity or more efficient use of resources.
Other	Other development benefits not captured by the above four categories - examples include enhanced government revenue, increased good governance or spin-off projects.

How Should the TOR of the FS/TA Address Development Impact?

The TOR should include a task that assesses the expected development benefits of the proposed project. For example:

The FS/TA Contractor shall report on the potential Development Impact of the project in the host country. In this section, the FS/TA Contractor should focus on what the economic development outcomes will be if the project is implemented according to the study recommendations. While specific focus should be paid to the immediate impact of the specific project that is being considered, the FS/TA contractor should include, where appropriate, any additional developmental benefits to the project, including spin-off and demonstration effects. The analysis of potential benefits of the feasibility study contractor should be as concrete and detailed as possible. The Development Impact factors 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 FS/TA contractor will provide estimates of the project's potential benefits in the following areas:

- **Infrastructure:** a statement on the infrastructure impact giving a brief synopsis. For example “This project would result in the construction of a power plant that would provide 500MW of power. This plant would serve x additional households in the region.”
- **Market-Oriented Reform:** a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.
- **Human Capacity Building:** The Contractor should address the number and type of positions that would be needed to construct and operate the proposed project as well as the number of people who will receive training and a brief description of the training program.
- **Technology Transfer and Productivity Enhancement:** a description of any advanced technologies that will be implemented as a result of the project. A description of any efficiency that will be gained (e.g. “By upgrading the power plant’s old boilers, efficiency will be increased from x% to y%).
- **Other:** any other developmental benefits to the project, including any spin-off or demonstration effects.

How Will This Affect the Final Report For the FS or TA?

A section in the final report will be devoted to the projected host country Development Impact of the FS or TA recommendations if they are implemented. The section should focus primarily on the key issues mentioned above (infrastructure and industrialization, human capacity building, technology transfer and productivity, and market oriented reform). Other host country development impacts (e.g. improved financial revenue flows to host government etc.) can be mentioned where appropriate. The discussion should be as detailed and concrete as possible, and the contractor may provide estimates in ranges as appropriate.