

Section C - Descriptions and Specifications

PURPOSE STATEMENT

Cooperative Agreement to Support the Security Interests of the United States and its Coalition Partners in Afghanistan through Industrial Zone Development

Purpose

The Task Force for Business and Stability Operations (TFBSO) supports the security interests of the United States and its can by focusing efforts on revitalizing the national and provincial economies. In order to achieve that end, TFBSO includes the following among its objectives:

- a) Restore productive capacity in the economy wherever possible, across all industrial sectors.
- b) Leverage monthly DOD cost-of-operations to stimulate economic growth by any means possible.
- c) Serve as a catalyst for private investment in Afghanistan by linking the international business community to Afghan business leaders and government officials.

A major pillar of the Task Force's mission in Afghanistan is to identify and stimulate Afghan-based sources of goods and services for the DoD and the domestic market, providing further revenue for the Afghan government and people. Establishing an anchor tenant in an industrial zone and surveying/preparing the area for the industrial zone is fundamental in stimulating further development for the Afghan economy.

Establishing an anchor tenant in the new industrial zone will increase the likelihood of a successful increase of new businesses in the area, establish a move-in ready area for new businesses in a successful working environment, and support the Task Force's mission areas of: mining, by establishing a new anchor tenant in a glass factory mining silica, dolomite, and limestone; energy, by leveraging the Task Force's Gas-to-Mazar project in order to power the new anchor tenant with natural gas; and industry, by establishing a new industrial zone with a greater likelihood to succeed due the upfront establishment of an anchor tenant. The anchor tenant is also estimated to create 300 direct jobs for Afghan citizens along with indirect jobs to support the industrial zone.

The planned anchor tenant will be a glass factory with the expected benefits to include promoting the development of the domestic natural gas industry, promoting the development of the domestic mining industry, generating income to GIROA through business taxes, gas purchases, and royalties on raw material mined, creating 300 direct jobs plus indirect jobs, promoting regional stability by creating employment opportunities, promoting region investment by establishing an anchor tenant for a new industrial zone, and reducing dependence on foreign imports of glass from Iraq, China, and Pakistan.

Currently, all glass in Afghanistan is imported from China, Pakistan and Iran as there is no flat-glass manufacturing currently located in the Central Asia region. Imports are a problem due to breakage in transit, poor quality, long delivery times, and high transportation costs. Building construction in Afghanistan currently requires over 250,000 tons of flat-glass per year.

This cooperative agreement is therefore of mutual interest and benefit to the citizens of Afghanistan and the DoD. Under this agreement, the Recipient, in cooperation with the DoD and its various military installations, will meet the objectives of TFBSO and provide direct benefit to Afghanistan citizens as the agreement will promote development of domestic natural gas and mining industries, generate income to the Government of the Islamic Republic of Afghanistan (GIROA) through business taxes, gas purchases, and royalties on raw material mined; create 300 direct jobs and 1,000 indirect jobs through suppliers, distributors, shippers, builders to further the specific goals and objectives of TFBSO.

Department of Defense Role

The mission of the Department of Defense is to provide the military forces needed to deter war and to protect the security of the United States. Consistent with this mission, the DOD benefits when compatible land use is protected and maintained, as appropriate, in the vicinity of military installations, operating areas, test facilities, training routes and elsewhere as needed, and habitat is preserved so as to eliminate or relieve current or future environmental restrictions affecting operational, test, or training missions.

The Department of Defense Shall:

1. Provide \$4,500,000.00 for the purpose of comprehensive site preparation at the construction site of a future sheet-glass manufacturing site, and basic site preparation at the construction site of an adjoining industrial development zone, both sites to be prepared by the Recipient.
2. Provide oversight of the Recipient's work at the construction sites for the limited purpose of assessing progress toward project milestones, and making progress payments to the Recipient upon satisfactory completion of each milestone.
3. Facilitate coordination with entities of the national and local departments of GIROA.
4. Designate a DOD point of contact for the Recipient.

Recipient's Role

The Recipient shall be responsible for both design and construction of the early stages of an industrial development site containing the following elements. The recipient shall perform the following three tasks at his own expense without Task Force assistance or funding: an engineering design package, an environmental impact assessment, and a mine site survey.

For the 50-acre site occupied by the anchor tenant, the Task Force shall fund, and the recipient shall perform: a topographical and geotechnical survey, site contouring, storm water drainage, construction of perimeter walls, guard towers, ECPs, internal roads, parking, walkways, water supply treatment and storage, wastewater treatment, and power generation / distribution systems.

For the remaining 150-acre site the recipient shall perform site preparation in the industrial site to include: a topographical survey to establish boundaries, a sub-surface survey to determine composition of soil and load-bearing capability, perimeter fencing, and an internal road the full length of the additional site.

The Task Force will improve the anchor tenant's 50-acre industrial site to the point that any business is to move in and construct a factory if the anchor tenant is unable to secure all of their necessary investments or fails to complete and start up a viable glass manufacturing facility.

The Task Force reserves the right to seek out additional businesses and investors for the 50acre anchor tenant site if the anchor tenant is unable to secure any additional investor interest or agreements within six (6) months of the signing of the cooperative agreement. The Task Force also reserves the right to seek out additional business and investors for the property if the anchor tenant's manufacturing facility is not fully operational within eighteen (18) months of signing of the cooperative agreement. The Task Force's primary objective in this cooperative agreement is to assess and prepare the industrial zone for an anchor tenant and beyond, with the glass factory serving as the targeted anchor tenant.

The Recipient Shall:

For 50 Acre Comprehensive Site Preparation:

1. Plan and develop temporary utilities
2. Complete a design plan and complete construction for internal roads, parking areas, and walkways
3. Perform site grading and cut and fill
4. Design and establish site storm drainage
5. Develop a design plan and complete construction for perimeter walls, guard towers, and entry control points (ECPs)
6. Develop U/G distribution/collection system
7. Design and construct wastewater treatment facilities

8. Design and construct water supply, treatment, and storage facility
9. Setup generators, transformers and switch gears for internal power usage
10. Design and construct a power house

For 150 Acre Basic Site Preparation:

1. Complete topographical, geotechnical, and sub-surface surveys
2. Develop a design plan for internal/access roads, perimeter fences, and ECPs
3. Complete construction of internal roads and perimeter fencing.

Progress Payments/Milestone Schedule

The Recipient shall meet the the milestone schedule to ensure corresponding progress payments are issued.

Milestone	Milestone Name	Payment \$	Est Completion
X	Draft of Project Plan	N/A	5-Oct-12
X	In-Progress Review / Report	N/A	Monthly
1	Mobilization, temporary roads and utilities, site survey (above and below ground)	\$500,000	31-Oct-12
2	Site grading/cut/fill, roads, walkways, parking lots, storm drainage, underground distribution-collection systems 1st 50%	\$750,000	30-Nov-12
3	Site grading/cut/fill, roads, walkways, parking lots, storm drainage, underground distribution-collection systems 2nd 50%	\$750,000	31-Dec-12
4	Freshwater supply/treatment/storage, wastewater treatment/storage, perimeter walls, guard towers and ECPs	\$1,000,000	31-Jan-13
5	Generators, transformers and switch gear procured and installed	\$1,000,000	28-Feb-13
6	Site preparation for additional 150 acres	\$500,000	31-Mar-13