TRANSMITTAL and OFFER LETTER RFP WSAG17

Name of Organization: Conservation International Foundation

Point of Contact: Aarin Gross

Phone: 808-551-9139
Email: agross@conservation.org

Water Security Advisory Group
Department of Land and Natural Resources, Commission on Water Resource Management
Punchbowl Street, Room 227
Honolulu, Hawaii 96813

The undersigned has carefully read and understands the terms and conditions specified in RFP WSAG17, the Special Provisions attached hereto, and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statues, concerning prohibited State contracts, and 2) he/she is certifying that the price submitted was independently arrived at without collusion.

A list of secured and required permits necessary to implement the project are hereto attached.

Proposal Title: Assessing Payments for Ecosystem Services Approaches

Total Amount of Proposal: $187,265 (including DLNR and matching funds)

If awarded, the contract with the State would be made with the following entity (please use the exact legal name as registered with the Dept. of Commerce and Consumer Affairs):

Conservation International Foundation

Legal name

2011 Crystal Drive, Suite 500
Arlington, VA 22202

Address (Contract and Billing Address must be the same)

State Tax ID No. (GE) Federal Tax ID No.

Jennifer Morris, Chief Operating Officer

Print Name Title
WSAG17: Incentivizing Freshwater Conservation in Hawai‘i: Assessing Payments for Ecosystem Services (PES) Approaches

B. Scope of Work: Narrative

Justification of Need
Hawai‘i faces significant challenges associated with freshwater, including ensuring adequate recharge of groundwater resources, encouraging the reuse of water, and improving the efficiency of potable and agricultural water use. Demand for freshwater is projected to increase by 79 million gallons per day by 2030, which will ultimately depend on healthy watersheds that allow for effective capture of freshwater resources, enabling a range of benefits that support Hawai‘i’s communities and natural ecosystems.

In Hawai‘i, climate change is already affecting patterns in hydrological cycles, ocean ecosystems, forests, and other life-support systems critical to the well-being of Hawai‘i’s people and economy. Rainfall in Hawai‘i has decreased by 18% over a 30-year period, and these climate change threats compound existing pressures on the state’s natural ecosystems, which have been degraded in recent decades by inattention and a lack of investment. The biodiversity they once harbored and the health of their waters and soils have declined, along with the ability of these ecosystems to provide benefits such as freshwater capture, local food production, and wildlife habitat. Furthermore, the lack of incentives and capital to support forest health and agricultural land stewardship means that, for most landowners (public and private), degraded lands have become financial liabilities rather than asset.

Building on momentum from the 2016 World Conservation Congress, several organizations have come together to assess the potential to adapt Payments for Ecosystem Services (PES) approaches to provide durable and effective support for restoration and conservation in Hawai‘i. This group was convened by Conservation International (CI) and Hawaiian Airlines, is supported by Hawai‘i Green Growth and its Smart Sustainable Communities Roundtable, and includes the following partners: the State of Hawai‘i Department of Land and Natural Resources (DLNR) through its Division of Forestry and Wildlife, and the State of Hawai‘i Office of Environmental Quality Control (OEQC). Additionally, a range of other partners from the
nonprofit, corporate, and public sectors have participated, such as The Nature Conservancy, Kamehameha Schools, Alexander and Baldwin, and Hawaiian Legacy Hardwoods.

This group has focused its attention on evaluating policy and financial incentive mechanisms and revenue streams for three essential ecosystem services: freshwater, carbon capture, and biodiversity. In other geographies, these PES approaches have successfully been employed to incentivize reforestation on public and private lands and coastal ecosystems, sequester atmospheric greenhouse gases, protect freshwater security, restore soil health, enhance biodiversity protection, and stimulate sustainable economic activity. In 2011, freshwater PES schemes alone have attracted $8.17 billion in investments across multiple geographies, with site-level benefits for water ecosystems and communities (Bennett et al. 2013). In Costa Rica, for example, these approaches have been responsible for the annual return of about 100 million cubic meters of water right concessions to aquifer recharge, achieved through payments to farmers and indigenous communities for reforestation and landscape restoration for water services. These payments for water services to private and public landowners have totaled millions of dollars annually, and have enabled increased groundwater recharge and streamflow, enhancing the overall water provisioning capacity of healthy watersheds. Additionally, these approaches produce other environmental and socioeconomic benefits including increased carbon capture and habitat for biodiversity, as well as revenue streams for communities through green jobs in restoration, land stewardship, and ecotourism.

Several recent developments make the timing right for an exploration of PES in the Hawaiian Islands. As part of his Sustainable Hawai’i Initiative commitments, Governor Ige recently announced targets of protecting 30% of our priority watershed areas and 30% of our nearshore marine habitat by 2030. The Aloha+ Challenge has been endorsed by all levels of government as a benchmark to measure Hawai’i’s sustainability, with public and private sector support. A statewide goal to secure 100 million gallons a day of fresh water was recently embraced by the state. However, all of these goals require tangible projects on the ground to move progress forward, and stable, sustaining sources of funding are necessary to move beyond small project-level implementation to landscape-level impact.

Description of Proposed Activities

The objective of this project is to assess the potential for a PES approach to improve freshwater security in Hawai’i by providing sustainable financing for watershed restoration initiatives. PES approaches have been successfully used in Costa Rica, Peru, and many other geographies to incentivize freshwater security, leading to durable financial support through financial and policy approaches that support restoration and conservation by linking upland restoration efforts with downstream beneficiaries (Figure 1).
To meet this objective, we propose to conduct a phased approach, building on a current initiative that comprises a Phase I Landscape Assessment (already funded and currently being completed), followed by a Phase II that focuses on a Financial and Economic Analysis of PES approaches, with a specific focus on freshwater. We describe these phases below.

Our project addresses multiple objectives included in Act 172, including increasing the recharge of groundwater resources and encouraging the efficient reuse of water. Additionally, the proposed project is congruent with the following category, identified in section 2.2. of the RFP: (1) *Establish new areas or increase existing areas for the recharge of groundwater resources*: By identifying policy and financial mechanisms to support the creation of durable financing of watershed restoration, this project will support large-scale and durable conversion of landscapes into active restoration, establishing new and supporting existing areas for the efficient and effective recharge of groundwater resources. Additionally, by scoping approaches that will provide
durable, large-scale funding, our proposed initiative will support the implementation of innovative finance and policy approaches that will have landscape-level impacts.

**Phase I: Landscape Assessment ("Note: This phase is currently funded.")**

Our landscape assessment focuses on identifying major challenges and opportunities to incentivize public-private projects that encourage coastal, forest and agricultural land stewardship that increase freshwater resources and provide other natural capital benefits such as carbon capture and biodiversity protection. The landscape analysis will draw on successful programs in other geographies, determine the applicability in Hawai‘i from a policy perspective, and consult with local stakeholders to determine appropriateness and scalability in a local context. The overarching goal is to develop viable policy and financial incentives to achieve **net positive freshwater, community and biodiversity benefits** by strengthening ecosystem stewardship, promoting sustainable production and working across sectors. We are currently engaged in this analysis, conducting a legal and policy analysis that assesses existing relevant regulations that would affect the implementation of PES approaches. The deliverable will include a report and a presentation to key stakeholders in the Hawai‘i Green Growth coalition and Business Leaders’ Roundtable.

**Phase II: Economic Analysis of PES approaches**

Building from our current landscape assessment, we propose to assess the potential for a PES approach to improve freshwater security in Hawai‘i by providing sustainable financing for watershed restoration initiatives. We will conduct a thorough economic analysis on the costs and benefits of a PES system, focusing our efforts on the following priority activities:

1. **First, we will develop a conceptual model for a PES system,** identifying the cost structure for administering such a program, potential revenue streams from downstream water users, and assessing the costs for restoration efforts in upland watersheds in priority regions that are critical for aquifer recharge and streamflow. To do this, we will adapt existing PES approaches from other geographies to the unique context of Hawai‘i, selecting 2-3 priority geographies in Hawai‘i as case studies to evaluate the financial viability of PES approaches as they relate to both the supply of freshwater services for recharge and streamflow, and demand for water from various downstream users in these geographies. To develop this conceptual model we will evaluate the following model parameters:
   a. **Supply Analysis:**
   i. Costs: In 2-3 priority geographies, we will assess the costs of reforestation and restoration efforts on public and private lands, based on existing efforts from participating partners, including The Nature Conservancy, State of Hawai‘i DLNR DOFAW, and private landowners. Sites will be selected based on i) potential to capture large quantities of recharge, ii) accessibility to the restoration site, iii) availability of data, iv) freshwater scarcity relative to demand in the capture zone, and v) opportunities to realize cost savings by building off existing management efforts. Restoration costs will include those
related to fence installation and maintenance, ungulate removal, weed removal and maintenance, and outplanting. If the priority sites include areas that are not already zoned for conservation, we will also assess the opportunity costs of alternative land uses. In such cases, the payment will include both the direct costs of restoration and the opportunity cost to the land owner. Although costs and returns in terms of recharge will vary across the State and even across a single island, our scoping exercise will help us to better understand the cost structure for restoration activities at a meaningful scale to positively influence groundwater recharge and streamflow. We expect that it will be straightforward to scale up the approach in the future.

ii. Production: The second half of the supply analysis involves quantifying the recharge benefits generated by the proposed restoration activities. We will adapt an existing watershed-ecosystem model to the 2-3 priority geographies to estimate the volume of recharge gained/protected as land use/cover changes in accordance with the restoration scenarios.

b. Demand Analysis: In 2-3 priority geographies, we will identify downstream beneficiaries of the proposed upstream restoration activities and undertake one or both of the following: i) calculate the “water security fee” required to achieve a target level of restoration and corresponding recharge benefits, ii) for a target “water security fee”, calculate the amount of restoration and recharge benefits the fee revenue can purchase. In both cases, we will also estimate the fee’s potential influence on future consumption and how much closer that gets the state to the 2030 Freshwater Initiative goals.

c. PES System Costs: We will estimate the potential start-up costs for setting up and piloting a PES approach in a target geography, as well as the ongoing administrative costs as they relate to both potential revenue generation.

Using these data, we will develop a detailed conceptual model for a PES system, helping to understand the financial performance and viability of these systems to support freshwater security. Notably, by picking 2-3 priority geographies, we will intentionally select geographies that are data-rich, allowing us to leverage existing initiatives (e.g., the ‘Ike Wai initiative is helping to identify priority areas for recharge – we will focus our efforts for our 2-3 priority case study sites on watersheds with existing scientific analyses), as well as providing a diversity of geographies representative of the wide array of landscapes in our archipelago.

(2) Second, based on our Landscape Assessment (Phase I, described above and currently ongoing), we will identify potential policy approaches to pilot a PES approach in Hawai‘i, for a single, “best case” geography or limited set of priority geographies. To do this, we assess the key policy approaches relevant to successful freshwater PES approaches from existing geographies, including geographies where CI has implemented these approaches (including Costa Rica,
Peru, and other countries). Because water law, policy, and management systems vary among these systems, we will work to identify the key policy elements for revenue generation, including water fee structures, watershed management units, and fiscal mechanisms such as dedicated funds.

These analyses will incorporate key priorities, information, and strategies included in the Board of Water Supply 2016 Water Master Plan (Board of Water Supply 2016) and the Blueprint for Action -- Water Security for an Uncertain Future developed by the Hawai‘i Fresh Water Initiative. This approach will ultimately help decision-makers better understand the value of freshwater services across the landscape in these priority geographies, drawing on existing science to estimate the scale at which investments in “natural capital infrastructure” – forests, wetlands, riparian ecosystem – return freshwater recharge, streamflow, and other benefits to downstream users. In developing this approach, we will leverage ongoing efforts, incorporating insights from stakeholder engagement conducted as part of the NSF-funded ‘Ike Wai project at University of Hawai‘i.

To complete these technical analyses, CI has engaged key partners, including the University of Hawai‘i Economic Research Organization (UHERO) and Conservation Strategy Fund (CSF). UHERO conducts rigorous, independent economic research on issues that are both central to Hawai‘i and globally relevant. CSF helps local conservationists use economic tools to find smart, efficient solutions to the most urgent environmental problems, and has dedicated experience in PES and related approaches through its Incentives for Thriving Landscapes focal area. We propose the following key activities, with CI, UHERO, and CSF working together to produce a set of shared deliverables.

UHERO will take the lead in developing the economic model for a PES system, supported by the following activities

- Working with a set of public, private, and nonprofit landowners / land managers to assess the costs of restoration via site-based interviews, etc.
- Incorporate existing estimates of return on investment in watershed restoration, expressed in terms of freshwater – (UHERO studies for TNC on Waikamoi, Kona Hema, Ka‘u; NSF-funded research at Pu‘u Wa‘awa‘a, Ka‘ūpūlehu, Ha‘ena) and/or adapt an appropriate watershed model to estimate recharge benefits of restoration activities.
- Identify beneficiary base for upstream watershed restoration activities and characterize water demand based on existing information on past, current, and projected consumption.
- Assess the ability of potential revenue from a “water security fee” to cover restoration costs and/or the fee required to achieve a target level of restoration.

CSF will focus on advising CI and UHERO in the design of the PES model. CSF has expertise in understanding how to assess the the key drivers and factors relevant to
ensuring flows of ecosystem services from PES schemes, as well as demand and supply side of the PES system. CSF will take on the following roles in the project:

- Advise UHERO on approaches to estimate key costs and revenues from a PES scheme; and
- Being part of the stakeholder partnership formed to develop the PES model, comprised of CI, UHERO, and a consortium of public, private, and nonprofit organization partners.

Budget
The grand total for the project budget (including match) is $187,265. CI is requesting $93,435 from the State for the deliverables of this project and will be providing $89,330 in cash match and $4,500 in in-kind match from Hawai‘i Green Growth. The project budget will cover CI staff time and partner staff time and other direct costs, including but not limited to, office costs and printing, to develop the financial and economic analyses described above (Phase II). Please see Appendix E for the detailed budget.

List of Deliverables
The overarching goal is to develop viable policy and financial incentives to achieve increased freshwater, community and biodiversity benefits by strengthening ecosystem stewardship, promoting sustainable production and working across sectors.

Specific deliverables include:
1. Development of a detailed workplan and timeline for project.
   Metric: Workplan and timeline
2. Completion of a conceptual model for a PES system, based on a supply analysis, demand analysis, and estimation of PES system costs.
   Metric: Technical report that includes the detailed parameters of a conceptual model for a PES system that will help understand the financial performance and viability of this system to support freshwater security.
3. Completion of a targeted policy analysis relevant to piloting the PES system conceptual model.
   Metric: Technical report that identifies the key policy elements needed to pilot the PES system model and the current status or pathway for creating those policy elements in Hawai‘i.
4. Presentations to key decision-makers in public, private, and nonprofit sectors.
   Metric: Slide deck communicating the results of the technical analyses for an audience of high-level decision-makers, presented to at least 3 high-profile decision-maker groups.

C. Experience and Capabilities
Conservation International (CI), a non-governmental organization (NGO) with global presence and a mission of protecting and improving ecosystems with significant environmental services for human well-being, has developed a global business and investment plan for freshwater resources, as part of its vision and strategic planning. CI’s
Hawai‘i office, together with key partners, will lead the work plan development and implementation of the landscape analysis. Matt Ramsey – CI Hawai‘i program director, and Aarin Gross, JD – CI Senior Program Manager, will oversee the project. Mr. Ramsey will provide strategic oversight and partner engagement on the project, and Ms. Gross will oversee the legal and policy analysis section of the landscape analysis. Carlos Manuel Rodriguez, Vice President for CI’s Policy Center, will function as the Senior Advisor on the project. Carlos has spearheaded similar initiatives including developing and implementing the PES approach successfully in Costa Rica, a globally recognized program that has produced positive social and ecological impacts. Dr. Eva Schemmel – CI Science Adviser – will provide scientific expertise and technical oversight of the sub-consultant deliverables.

University of Hawai‘i Economic Research Organization (UHERO): UHERO conducts rigorous, independent economic research on issues that are both central to Hawai‘i and globally relevant. UHERO distributes its analyses widely to promote research driven dialogue and inform public- and private-sector decision making in Hawai‘i. Since 1997 UHERO has established itself as the premier source for forecasts and analysis in Hawai‘i. For over ten years UHERO has conducted research that benefits the local community, publicized that research both locally and outside Hawai‘i, and expanded funded research on the Hawai‘i economy.

Conservation Strategy Fund helps local conservationists use economic tools to find smart, efficient solutions to the most urgent environmental problems. Since its creation in 1998, CSF has conducted dozens of analysis projects in forests, rivers, and coastal environments. Most of its work has focused in the tropics, where extraordinarily high levels of biological diversity are found. To maximize the reach and quality of its work, CSF involves leading experts and conservation organizations in all of its projects. To date, CSF has trained more than 2,200 professionals from over 700 organizations, and influenced more than $20 billion in project investment.

Hawai‘i Green Growth will partner with the primary project implementers (CI, UHERO, and CSF) and coordinate joint learning around this initiative with the HGG Business Leader’s Roundtable. HGG staff will also ensure quarterly engagement with leaders engaged in implementing the Aloha+ Targets, expanding the breadth of partners engaged on this initiative.

D. Strategy, Timeline, Plan, and Pricing

See attached Gantt Chart for project objectives, roles, responsibilities, and timeline.
From a longer-term perspective, we view this as the first stage in a multi-stage process that will scale these solutions for landscape level impact. This staged approach has been used by CI in other geographies where we have scoped, implemented and scaled PES approaches:
### Stage 1: Investing in initial up-front investment/readiness

- Landscape assessment including legal and policy analysis and financial and economic analysis
- Stakeholder participation and engagement
- Cross-sectoral planning
- Development of safeguards and sustainability guidelines
- Scoping for capacity requirements for project implementation
- Securing initial seed capital and opportunities for longer-term financing

### Stage 2: Pilot Implementation and investment

- Implementation of policy reform (including public-private partnerships)
- Implementation (or great investment in existing) pilot initiatives
- Cross-sectoral capacity building
- Education, training, and extension for land owners, communities, small and medium-sized enterprises, natural resource managers
- Development of monitoring and verification systems

### Stage 3: Scaling and sustained financing

- Market access (local and offshore) for products, services, and credits
- Scale pilots to larger implementation in public and private lands
- Secure robust financing mechanisms
- Ecotourism
- Bundled services
- Certification and verification schemes implemented

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**F. Exceptions**

### 3.4 Tax Liability

The work proposed by CI in response to this RFP, if we are successful, falls within our exemption (provided under Chapter 237, section 23 (a) (4) and within the exempt activities listed in Ch 237, section 23 (b)). As a result, we will not have to pay GET on the income received to do this work. We propose to revise 3.4 as follows:

“The work to be performed by the CONTRACTOR under this contract falls within the CONTRACTOR’s exemption provided under Chapter 237, section 23 (a) (4) and is within the exempt activities listed in Ch 237, section 23 (b). The CONTRACTOR is therefore not liable for the Hawaii General Excise Tax (GET) on payments received under this contract.”

### 6.22 TERMINATIONS FOR CONVENIENCE OR UNAVAILABILITY OF FUNDS.

CI requests the revision of 6.22 to allow for termination by the Contractor. The proposed revision is provided below with the additional language underlined.

“The Procurement Officer may, when the interests of the State so require, terminate this contract in whole or in part, for the convenience of the State or if funds become unavailable. The Procurement Officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective. The CONTRACTOR may terminate this contract in whole or in part for convenience by providing written notice to the State specifying the part of the Contract terminated. Such notice shall become effective thirty (30) days after its receipt.”

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**References**


<table>
<thead>
<tr>
<th>Objective: Coordinate technical partner engagement, strategic oversight, and overall technical analysis development and project implementation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output/milestone: Timely completion of comprehensive technical analysis, conclusions, and recommendations</td>
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<tr>
<td>Lead: CI Hawai‘i</td>
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<tr>
<td>Activities:</td>
</tr>
<tr>
<td>a. Develop, execute, and manage contract and workplan for UHERO as lead in developing economic model for PES system</td>
</tr>
<tr>
<td>b. Develop, execute, and manage contract and workplan for CSF advisory role on PES scheme design</td>
</tr>
<tr>
<td>c. Engage CI Policy Center for overall project guidance and advisement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective: Assess the potential to adapt Payments for Ecosystem Services (PES) approaches to incentivize restoration and conservation in Hawai‘i.</th>
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</thead>
<tbody>
<tr>
<td>Phase 1: Landscape assessment [funded separately and ongoing]</td>
</tr>
<tr>
<td>Phase 2: Economic Analysis of PES approaches</td>
</tr>
<tr>
<td>Output/milestone 1: Develop Conceptual Model for a PES system</td>
</tr>
<tr>
<td>Lead: UHERO advised by CSF and CI</td>
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<tr>
<td>Activities:</td>
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<tr>
<td>a. For the first half of the supply analysis, select 2-3 priority geographies based on i) potential to capture large quantities of recharge; ii) accessibility to the restoration site; iii) availability of data; iv) freshwater scarcity relative to damend in the capture zone; and v) opportunities to relace cost savings by building off existing management efforts.</td>
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<tr>
<td>b. Assess the costs of reforestation and restoration efforts from participating partners, including the Nature Conservancy, State of Hawai‘i DLNR DOFAW, and private landowners.</td>
</tr>
<tr>
<td>c. Assess the opportunity costs of alternative land uses for priority sites that are not already zoned for conservation.</td>
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<tr>
<td>d. For the second half of the supply analysis, quantify the recharge benefits generated by the proposed restoration activities by adapting an existing watershed ecosystem model to the 2-3 priority geographies to estimate the volume of recharge gained/protected as land use/cover changes in accordance with the restoration scenarios.</td>
</tr>
<tr>
<td>e. For the demand analysis, in the 2-3 priority geographies, identify downstream beneficiaries of the proposed upstream restoration activities and undertake one or both of: i) calculating the &quot;water security fee&quot; required to achieve a target level of restoration and corresponding recharge benefits; ii) for a target &quot;water security fee&quot;, calculate the amount of restoration and recharge benefits the fee revenue can purchase.</td>
</tr>
<tr>
<td>f. Estimate the fee's potential influence on future consumption and how much closer that gets the state to the 2030 Freshwater Initiative goals.</td>
</tr>
<tr>
<td>g. Estimate the potential start-up costs for setting up and piloting a PES approach in a target geography, as well as the ongoing administrative costs as they relate to potential revenue generation.</td>
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<tr>
<td>h. Draft technical report summarizing research, analysis, and key findings.</td>
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<table>
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<tr>
<th>Output/milestone 2: Identify Potential Policy Approaches to Pilot a PES system in Hawai‘i</th>
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<tr>
<td>Activities:</td>
</tr>
<tr>
<td>a. For a single &quot;best case&quot; geography, assess the key policy approaches relevant to a designing successful freshwater PES approach.</td>
</tr>
<tr>
<td>b. Identify the key policy elements for revenue generation, including water fee structures, watershed management units, and fiscal mechanisms such as dedicated funds.</td>
</tr>
<tr>
<td>c. Draft technical report summarizing research, analysis, and key findings.</td>
</tr>
<tr>
<td>d. Create accompanying slide deck providing overview of both technical reports form Phase 2.</td>
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<table>
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<tr>
<th>Objective: Joint learning around this initiative with the Hawai‘i Green Growth Smart Sustainable Communities Roundtable and related Working Group.</th>
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</thead>
<tbody>
<tr>
<td>Output/milestone: Provide opportunities for joint learning and input from a collaboration of public and private landowners and organizations.</td>
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<tr>
<td>Lead: HGG advised by CI</td>
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<td>Activities:</td>
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<td>a. Coordinate and implement quarterly meetings of the HGG Smart Sustainable Communities Roundtable.</td>
</tr>
<tr>
<td>b. Coordinate and implement meetings of the Working Group related to this project.</td>
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OFFER FORM  OF-1
2017 IMPLEMENTATION OF WATER SECURITY PROJECTS AND PROGRAMS
STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES
RFP-WSAG17

Procurement Officer
Department of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii 96813

Dear Procurement Officer:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Offerer is:     □ Sole Proprietor     □ Partnership     □ *Corporation     □ Joint Venture
[ ] Other 501c3
*State of incorporation: California

Hawaii General Excise Tax License I.D. No. ________________

Federal I.D. No. ________________

Payment address (other than street address below): same as business address
City, State, Zip Code: ____________________________________________

Business address (street address): 2011 Crystal Drive, Suite 500
City, State, Zip Code: Arlington, VA 22202

Respectfully submitted:
Date: April 20, 2017

(x) __________________________
Authorized (Original) Signature

[ ] ________________
Jennifer Morris, Chief Operating Officer
Name and Title (Please Type or Print)

**Conservation International Foundation
Exact Legal Name of Company (Offeror)

**If Offeror is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the awarded contract will be executed.
OFFER FORM  OF-2

Total contract cost for accomplishing the development and delivery of the services.

$187,265 (including DLNR and matching funds)

Note: Pricing shall include labor, materials, supplies, all applicable taxes, and any other costs incurred to provide the specified services.

I, Jennifer Morris (Offeror), certify that at time of award the 1:1 matching fund requirement will be met for ______________________ (project). The total amount of matching funds will be $93,830 Assessing Payments for Ecosystem Services Approaches

[Signature] 4/20/17
Offeror Signature  Date

Jennifer Morris, Chief Operating Officer
Print Name  Title
WSAG17- Proposal Budget
Conservation International Foundation
Assessing Payments for Ecosystem Services Approaches

GRAND TOTAL (including match) $187,265

Subtotal for labor $60,880
Subtotal for materials $0
Subtotal for other actions $126,385

All figures are rounded amounts to the nearest dollar.

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<th>Proposed Contract Budget</th>
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<td><strong>89,330</strong></td>
<td><strong>4,500</strong></td>
<td><strong>187,265</strong></td>
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Notes:
1. Salaries and wages includes fringe benefits.
2. Contracts includes a subaward to the University of Hawaii Economic Research Organization (UHERO). UHERO will provide $26,000 in match to cover additional time for the Resource/Environmental Economist. CI Matching funds will also cover $10,000 for the contractual services of the Conservation Strategy Fund.
3. The Other Category Includes:
   - Printing and an allocation for office-related costs for CI’s Hawaii office.
   - Indirect Costs calculated at 10% of direct costs.
   - A fee of 5% calculated on total costs, since the award will be a contract, for risks related to contract performance.
**Compensation and Payment Schedule**

<table>
<thead>
<tr>
<th>#</th>
<th>Deliverable/Task/Activity</th>
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<td>Draft Slidedeck to Decision Makers</td>
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<td>Final Economic Analysis of PES System</td>
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